UGI CORP /PA/
Form DEF 14A
December 09, 2010

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

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

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

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

UGI Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

Notice of January 20, 2011
Annual Meeting and
Proxy Statement

Table of Contents

BOX 858 VALLEY FORGE, PA 19482 610-337-1000

LON R. GREENBERG
Chairman and
Chief Executive Officer

December 9, 2010

Dear Shareholder,

On behalf of our entire Board of Directors, I cordially invite you to attend our Annual Meeting of Shareholders on Thursday, January 20, 2011. At the meeting, we will review UGI s performance for Fiscal 2010 and our expectations for the future.

I would like to take this opportunity to remind you that your vote is important. On December 9, 2010, we mailed our shareholders a notice containing instructions on how to access our 2010 proxy statement and annual report and vote online. Please read the proxy materials and take a moment now to vote online or by telephone as described in the proxy voting instructions. Of course, if you received these proxy materials by mail, you may also vote by completing the proxy card and returning it by mail.

I look forward to seeing you on January 20th and addressing your questions and comments.

Sincerely,

Lon R. Greenberg

460 NORTH GULPH ROAD, KING OF PRUSSIA, PA 19406

Table of Contents

BOX 858 VALLEY FORGE, PA 19482 610-337-1000

December 9, 2010

Notice of
annual meeting of Shareholders

The Annual Meeting of Shareholders of UGI Corporation will be held on Thursday, January 20, 2011, at 10:00 a.m., at The Desmond Hotel and Conference Center, Ballrooms A and B, One Liberty Boulevard, Malvern, Pennsylvania. Shareholders will consider and take action on the following matters:

1. election of nine directors to serve until the next annual meeting of Shareholders;
2. ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for Fiscal 2011; and
3. transaction of any other business that is properly raised at the meeting.

Margaret M. Calabrese
Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on January 20, 2011:

This Proxy Statement and the Company s 2010 Annual Report are available at *www.ugicorp.com*.

TABLE OF CONTENTS

Table of Contents

UGI CORPORATION
460 North Gulph Road
King of Prussia, Pennsylvania 19406

PROXY STATEMENT

Annual Meeting Information

This proxy statement contains information related to the Annual Meeting of Shareholders of UGI Corporation to be held on Thursday, January 20, 2011, beginning at 10:00 a.m., at The Desmond Hotel and Conference Center, Ballrooms A and B, One Liberty Boulevard, Malvern, Pennsylvania and at any postponements or adjournments thereof. Directions to The Desmond Hotel and Conference Center appear on page 65. This proxy statement was prepared under the direction of the Company s Board of Directors to solicit your proxy for use at the Annual Meeting. It was made available to Shareholders on or about December 9, 2010.

Why did I receive a notice in the mail this year regarding the Internet availability of proxy materials instead of printed proxy materials?

The Company has elected to provide access to the proxy materials over the Internet. We believe that this initiative will enable the Company to provide proxy materials to shareholders more quickly, reduce the impact of our Annual Meeting on the environment, and reduce costs.

Who is entitled to vote?

Shareholders of record of our common stock at the close of business on November 15, 2010 are entitled to vote at the Annual Meeting, or any postponement or adjournment of the meeting scheduled in accordance with Pennsylvania law. Each shareholder has one vote per share on all matters to be voted on. On November 15, 2010, there were 110,466,049 shares of common stock outstanding.

What am I voting on?

You will be asked to elect nine nominees to serve on the Company s Board of Directors and to ratify the appointment of our independent registered public accounting firm for Fiscal 2011. The Board of Directors is not aware of any other matters to be presented for action at the meeting.

How does the Board of Directors recommend I vote on the proposals?

The Board of Directors recommends a vote **FOR** the election of each of the nominees for Director and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for Fiscal 2011.

Table of Contents

How do I vote?

You may vote in one of three ways:

Over the Internet

If your shares are registered in your name: Vote your shares over the Internet by accessing the Computershare proxy online voting website at: *www.envisionreports.com/UGI* and following the on-screen instructions. You will need the control number that appears on your Notice of Availability of Proxy Materials when you access the web page.

If your shares are held in the name of a broker, bank or other nominee: Vote your shares over the Internet by following the voting instructions that you receive from such broker, bank or other nominee.

By Telephone

If your shares are registered in your name: Vote your shares over the telephone by accessing the telephone voting system toll-free at 1-800-652-8683 and following the telephone voting instructions. The telephone instructions will lead you through the voting process. You will need the control number that appears on your Notice of Availability of Proxy Materials when you call.

If your shares are held in the name of a broker, bank or other nominee: Vote your shares over the telephone by following the voting instructions you receive from such broker, bank or other nominee.

By Mail

If you received these annual meeting materials by mail: Vote by signing and dating the proxy card(s) and returning the card(s) in the prepaid envelope. Also, you can vote online or by using a toll-free telephone number. Instructions about these ways to vote appear on the proxy card. If you vote by telephone, please have your proxy card and control number available.

How can I vote my shares held in the Company s Employee Savings Plans?

You can instruct the trustee for the Company s Employee Savings Plans to vote the shares of stock that are allocated to your account in the UGI Stock Fund. If you do not vote your shares, the trustee will vote them in proportion to those shares for which the trustee has received voting instructions from participants. Likewise, the trustee will vote shares held by the trust that have not been allocated to any account in the same manner.

Table of Contents

How can I change my vote?

You can revoke your proxy at any time before it is voted. Proxies are voted at the Annual Meeting. If you are a shareholder of record and you returned a paper proxy card, you can write to the Company s Corporate Secretary at our principal offices, 460 North Gulph Road, King of Prussia, Pennsylvania 19406, stating that you wish to revoke your proxy and that you need another proxy card. Alternatively, you can vote again, either over the Internet or by telephone. If you hold your shares through a broker, bank or other nominee, you can revoke your proxy by contacting the broker, bank or other nominee and following their procedure for revocation. If you are a shareholder of record and you attend the meeting, you may vote by ballot, which will cancel your previous proxy vote. If your shares are held through a broker, bank or other nominee, and you wish to vote by ballot at the meeting, you will need to contact your bank, broker or other nominee to obtain a legal proxy form that you must bring with you to the meeting to exchange for a ballot. Your last vote is the vote that will be counted.

What is a quorum?

A quorum of the holders of the outstanding shares must be present for the Annual Meeting to be held. A quorum is the presence at the meeting, in person or represented by proxy, of the holders of a majority of the outstanding shares entitled to vote.

How are votes, abstentions and broker non-votes counted?

Abstentions are counted for purposes of determining the presence or absence of a quorum, but are not considered a vote cast under Pennsylvania law.

A broker non-vote occurs when a broker, bank or other nominee holding shares on your behalf does not receive voting instructions from you. If that happens, the broker, bank or other nominee may vote those shares only on matters deemed routine by the New York Stock Exchange, such as the ratification of the appointment of the Company s independent registered public accounting firm. A broker non-vote occurs when a broker has not received voting instructions and either declines to exercise its discretionary authority to vote on routine matters or is barred from doing so because the matter is non-routine. Broker non-votes are counted to determine if a quorum is present, but are not considered a vote cast under Pennsylvania law.

As a result, abstentions and broker non-votes are not included in the tabulation of the voting results on issues requiring approval of a majority of the votes cast and, therefore, do not have the effect of votes in opposition in such tabulation.

What vote is required to approve each item?

The Director nominees will be elected by a plurality of the votes cast at the Annual Meeting. The other matter to be considered at the meeting requires the affirmative vote of a majority of the votes cast at the meeting to be approved.

Table of Contents

Who will count the vote?

Computershare Inc., our Transfer Agent, will tabulate the votes cast by proxy or in person at the Annual Meeting.

What are the deadlines for Shareholders proposals for next year s Annual Meeting?

Shareholders may submit proposals on matters appropriate for shareholder action as follows:

Shareholders who wish to include a proposal in the Company s proxy statement and proxy for its 2012 annual meeting must comply in all respects with SEC rules relating to such inclusion and must submit the proposals no later than August 10, 2011.

With respect to shareholder proposals that are not intended for inclusion in the Company s proxy materials for the 2012 annual meeting, if such a proposal is raised at the meeting, the proxy holders will have discretionary authority to vote on the matter if the Company does not receive notice of the proposal by October 25, 2011 or, if the proposal is so received by October 25, 2011, either the Company does not include advice on the nature of the matter and how the proxy holders intend to vote on the proposal or the proposal is made in connection with certain proxy contests.

All proposals and notifications should be addressed to the Corporate Secretary.

How much did this proxy solicitation cost?

The Company has engaged Georgeson Inc. to solicit proxies for the Company for a fee of $7,500 plus reasonable expenses for additional services. We also reimburse banks, brokerage firms and other institutions, nominees, custodians and fiduciaries for their reasonable expenses for sending proxy materials to beneficial owners and obtaining their voting instructions. Certain Directors, officers and regular employees of the Company and its subsidiaries may solicit proxies personally or by telephone or facsimile without additional compensation.

Securities Ownership of Management

The following table shows the number of shares beneficially owned by each Director, Nominee, by each of the executive officers named in the Summary Compensation Table-Fiscal 2010, and by all Directors and executive officers as a group. The table shows their beneficial ownership as of October 1, 2010.

Our subsidiary AmeriGas Propane, Inc. is the General Partner of AmeriGas Partners, L.P. (AmeriGas Partners), one of our consolidated subsidiaries and a publicly-traded limited partnership. The table also shows, as of October 1, 2010, the number of common units of AmeriGas Partners, and phantom units representing common units, beneficially owned by each Director and named executive officer, and by all Directors and executive officers as a group.

Table of Contents

Mr. Greenberg beneficially owns approximately 1.6 percent of the outstanding common stock. Each other person named in the table beneficially owns less than 1 percent of the outstanding common stock and less than 1 percent of the outstanding common units of AmeriGas Partners. Directors and named executive officers as a group own approximately 3 percent of the outstanding common stock and less than 1 percent of the outstanding common units of AmeriGas Partners. For purposes of reporting total beneficial ownership, shares that may be acquired within 60 days of October 1, 2010 through UGI Corporation stock option exercises are included.

Beneficial Ownership of Directors, Nominees and Named Executive Officers

Name	**Number of Shares of UGI Common Stock**[(1)]	**Number of UGI Stock Units Held Under 2004 Plan**[(2)]	**Exercisable Options For UGI Common Stock**	**Number of AmeriGas Partners, L.P. Common Units**	**Number of AmeriGas Partners, L.P. Phantom Units**[(3)]
Stephen D. Ban	16,496	59,110	71,500	0	500
Eugene V. N. Bissell	68,197(4)	0	160,000	64,600(4)	0
Richard W. Gochnauer	0	0	0	0	0
Richard C. Gozon	32,608	94,602	71,500	5,000	500
Lon R. Greenberg	406,305(5)	0	1,315,000	11,000	0
Ernest E. Jones	3,618	26,018	83,500	0	0
Peter Kelly	46,042(6)	0	110,000	0	0
Anne Pol	2,950	60,492	65,500	0	0
M. Shawn Puccio	2,350	5,183	17,000	0	0
Marvin O. Schlanger	9,724(7)	49,218	83,500	1,000(7)	500
Francois Varagne	24,488	0	112,000	0	0
Roger B. Vincent	10,000	13,547	42,500	6,000	0
John L. Walsh	110,249(8)	0	511,666	7,000(8)	0
Directors and executive officers as a group (15 persons)	812,150	308,170	2,881,331	108,708	1,500

(1) Sole voting and investment power unless otherwise specified.

(2) The UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 (the 2004 Plan) provides

that stock units will be converted to shares and paid out to Directors upon their retirement or termination of service.

(3) The AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. provides that phantom units will be converted to common units and paid out to Directors upon their retirement or termination of service.

(4) Mr. Bissell s shares and common units are held jointly with his spouse.

(5) Mr. Greenberg holds 249,848 shares jointly with his spouse.

(6) Mr. Kelly holds 44,472 shares jointly with his spouse.

(7) Mr. Schlanger s spouse holds 2,000 shares and all common units shown. Mr. Schlanger

disclaims beneficial ownership of the shares and common units owned by his spouse.

(8) Mr. Walsh s shares and common units are held jointly with his spouse.

Table of Contents

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our Directors, certain officers and 10 percent beneficial owners to report their ownership of shares and changes in such ownership to the SEC. Based on our records, we believe that during Fiscal 2010 all of such reporting persons complied with all Section 16(a) reporting requirements applicable to them.

Securities Ownership of Certain Beneficial Owners

The following table shows information regarding each person known by the Company to be the beneficial owner of more than five percent of the Company s common stock. The ownership information below is based on information reported on a Form 13F as filed with the SEC in November 2010 for the quarter ended September 30, 2010.

Securities Ownership of Certain Beneficial Owners

Title of Class	**Name and Address of Beneficial Owner**	**Amount and Nature of Beneficial Ownership**	**Percent of Class(1)**
Common Stock	Wellington Management Company, LLP 75 State Street Boston, MA 02109	10,941,651(2)	10%

(1) Based on 110,466,049 shares of common stock issued and outstanding at November 15, 2010.

(2) The reporting person, and certain related entities, has sole voting power and sole investment power with respect to 6,951,547 shares, and shared voting and investment power with respect to 1,007,648 shares.

Table of Contents

Item 1   Election of Directors

Nominees

Nine Directors will be elected at the Annual Meeting. Directors will serve until the next annual meeting or until their earlier resignation or removal. If any nominee is not available for election, proxies will be voted for another person nominated by the Board of Directors or the size of the Board will be reduced. Eight members of the Board of Directors elected at last year s annual meeting are standing for re-election this year. Mr. Richard C. Gozon is not eligible for re-election under the Company s bylaws because he has reached retirement age. Mr. Gochnauer is a nominee for the first time.

The nominees are as follows:

Stephen D. Ban

Director since 1991

Age 69

Dr. Ban is currently working as a consultant to private industry. Dr. Ban recently retired as Director of the Technology Transfer Division of the Argonne National Laboratory (science-based Department of Energy laboratory dedicated to advancing the frontiers of science in energy, environment, biosciences and materials) (2001 to 2010). He previously served as President and Chief Executive Officer of the Gas Research Institute (gas industry research and development funded by distributors, transporters, and producers of natural gas) (1987 to 1999). He also served as Executive Vice President. Prior to joining Gas Research Institute in 1981, he was Vice President, Research and Development and Quality Control of Bituminous Materials, Inc. Dr. Ban also serves as a Director of UGI Utilities, Inc.; AmeriGas Propane, Inc., the general partner of AmeriGas Partners, L.P.; and Energen Corporation.

Lon R. Greenberg

Director since 1994

Age 60

Mr. Greenberg has been Chairman of the Board of Directors of UGI since August 1996 and Chief Executive Officer since August 1995. He was formerly President (1994 to April 2005), Vice Chairman of the Board (1995 to 1996), and Senior Vice President   Legal and Corporate Development (1989 to 1994). Mr. Greenberg also serves as a Director of UGI Utilities, Inc.; AmeriGas Propane, Inc., the general partner of AmeriGas Partners, L.P.; and Aqua America, Inc.

Table of Contents

Marvin O. Schlanger
Director since 1998
Age 62
Mr. Schlanger is a Principal in the firm of Cherry Hill Chemical Investments, L.L.C. (management services and capital for chemical and allied industries) (since 1998). Mr. Schlanger also serves as Chairman of the Board of LyondellBasell Industries N.V. (since 2010), Chairman of the Board of CEVA Group, Plc (since 2009), and Vice Chairman of Hexion Specialty Chemicals, Inc. (since 2005). He was previously Chairman and Chief Executive Officer of Resolution Performance Products, Inc. (a manufacturer of specialty and intermediate chemicals) (2000 to 2005), Chairman of Covalence Specialty Materials Corp. (2006 to 2007), and Chairman of Resolution Specialty Materials, LLC (2004 to 2005). Mr. Schlanger also serves as a Director of UGI Utilities, Inc.; AmeriGas Propane, Inc., the general partner of AmeriGas Partners, L.P.; and Momentive Performance Materials Inc.

Anne Pol
Director 1993 through 1997 and
since December 1999
Age 63
Mrs. Pol retired in 2005 as President and Chief Operating Officer of Trex Enterprises Corporation (a high technology research and development company), a position she had held since 2001. She previously served as Senior Vice President of Thermo Electron Corporation (environmental monitoring, analytical instruments and a major producer of recycling equipment, biomedical products and alternative energy systems) (1998 to 2001), and Vice President (1996 to 1998). Mrs. Pol also served as President of Pitney Bowes Shipping and Weighing Systems Division, a business unit of Pitney Bowes Inc. (mailing and related business equipment) (1993 to 1996); Vice President of New Product Programs in the Mailing Systems Division of Pitney Bowes Inc. (1991 to 1993) and Vice President of Manufacturing Operations in the Mailing Systems Division of Pitney Bowes Inc. (1990 to 1991). Mrs. Pol also serves as a Director of UGI Utilities, Inc.

Table of Contents

Ernest E. Jones
Director since 2002
Age 66
Mr. Jones is President and Chief Executive Officer of EJonesConsulting, LLC (management consulting to non-profit entities) (since December 1, 2010). He retired in 2010 as President and Chief Executive Officer of Philadelphia Workforce Development Corporation (an agency which funds, coordinates and implements employment and training activities in Philadelphia, Pennsylvania), a position he held since 1998. He served as President and Executive Director of the Greater Philadelphia Urban Affairs Coalition (1983 to 1998) and as Executive Director of Community Legal Services, Inc. (1977 to 1983). Mr. Jones also serves as a Director of the African American Museum in Philadelphia; Thomas Jefferson University; the Philadelphia Contributionship; Vector Security, Inc.; and UGI Utilities, Inc. He previously served as a Director of PARADIGM Global Advisors LLC, ending in 2009.

John L. Walsh
Director since April 2005
Age 55
Mr. Walsh is a Director and President and Chief Operating Officer of UGI Corporation (since April 2005). He is also President and Chief Executive Officer of UGI Utilities, Inc. (since July 2009). In addition, Mr. Walsh serves as Vice Chairman of AmeriGas Propane, Inc. (since April 2005). Previously, Mr. Walsh was the Chief Executive of the Industrial and Special Products Division of the BOC Group plc (industrial gases), a position he assumed in 2001. He was also an Executive Director of BOC (2001 to 2005). He joined BOC in 1986 as Vice President-Special Gases and held various senior management positions in BOC, including President of Process Gas Solutions, North America (2000 to 2001) and President of BOC Process Plants (1996 to 2000). Mr. Walsh also serves as a Director of UGI Utilities, Inc. and AmeriGas Propane, Inc., the general partner of AmeriGas Partners, L.P.

Roger B. Vincent
Director since February 2006
Age 65
Mr. Vincent is President of Springwell Corporation, a corporate finance advisory firm located in New York (since 1989). Mr. Vincent also serves as a Director and Chairman of the Board of Directors of the ING Mutual Funds, ING Asia Pacific High Dividend Equity Income Fund, ING Global Advantage and Premium Opportunity Fund, ING Global Equity Dividend and Premium Opportunity Fund, ING Prime Rate Trust and ING Risk Managed Natural Resources Fund. Mr. Vincent is also a Director of UGI Utilities, Inc. He previously served as a Director of AmeriGas Propane, Inc., the general partner of AmeriGas Partners, L.P., ending in 2006.

M. Shawn Puccio
Director since January 2009
Age 48
Ms. Puccio is Senior Vice President, Finance of Saint-Gobain Corporation, the North American business of Compagnie de Saint-Gobain, a global manufacturer and distributor of flat glass, building products, glass containers and high performance materials (since 2006). Ms. Puccio was formerly Vice President, Finance (2005 to 2006) and Vice President, Internal Control Services (2002 to 2005) of Saint-Gobain. Prior to joining Saint-Gobain, she was a partner with PricewaterhouseCoopers LLP, a public accounting firm (1997 to 2002), having joined Price Waterhouse in 1984. Ms. Puccio also serves as a Director of UGI Utilities, Inc. and of the Girl Scouts of Eastern Pennsylvania.

Richard W. Gochnauer
Nominee
Age 61
Mr. Gochnauer is Director and Chief Executive Officer of United Stationers Inc. (a wholesale distributor of business products) (since December 2002); he joined United Stationers Inc. in July 2002 as Chief Operating Officer and Director. He previously served as President and Chief Operating Officer and Vice Chairman and President, International, of Golden State Foods Corporation (a food service industry supplier) (1994 to 2002). Prior to that, Mr. Gochnauer served as Executive Vice President of the Dial Corporation, with responsibility for its household and laundry consumer products businesses. Mr. Gochnauer also serves as a Director of AmerisourceBergen Corporation.

Corporate Governance

The business of UGI Corporation is managed under the direction of the Board of Directors. As part of its duties, the Board oversees the corporate governance of the Company for the purpose of creating long-term value for its shareholders and safeguarding its commitment to its other stakeholders: our employees, our customers, our suppliers and creditors, and the communities in which we do business. To accomplish this purpose, the Board considers the interests of the Company s stakeholders when, together with management, it sets the strategies and objectives of the Company. The Board also evaluates management s performance in pursuing those strategies and achieving those objectives.

Table of Contents

In carrying out its responsibilities under the guidelines set forth by the Principles of Corporate Governance, the Board will:

- Approve the Company s strategies and objectives and monitor the execution of strategies and the achievement of objectives;
- Evaluate the performance, and approve the compensation of, the Chief Executive Officer and senior management;
- Review plans for management succession;
- Advise and counsel management;
- Monitor codes of conduct and policies on corporate governance;
- Establish and monitor Board and Committee structure;
- Designate a Presiding Director; and
- Assess Board and Board Committee performance.

The full text of the Company s Principles of Corporate Governance can be found on the Company s website, www.ugicorp.com, under Investor Relations and Corporate Governance. The Company has also adopted (i) a Code of Ethics for the Chief Executive Officer and Senior Financial Officers that applies to the Company s Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, and (ii) a Code of Business Conduct and Ethics for Directors, Officers and Employees. Both Codes and the Charters of the Corporate Governance, Audit, and Compensation and Management Development Committees of the Board of Directors are posted on the Company s website, www.ugicorp.com, under Investor Relations and Corporate Governance. All of these documents are also available free of charge by writing to Hugh J. Gallagher, Director, Treasury Services and Investor Relations, UGI Corporation, P.O. Box 858, Valley Forge, PA 19482, or by calling 1-800-844-9453.

Board Leadership Structure and Role in Risk Management

Our Board of Directors determines which leadership structure best serves its needs and those of our shareholders. Currently, Mr. Greenberg serves as both Chairman of the Board of Directors and Chief Executive Officer of the Company. The Board believes that having Mr. Greenberg serve in both capacities has the following advantages for the Company: there is a single source of leadership and authority for the Board; the preparation for Board meetings, in particular the format and content of Board presentations, is very efficient; there is no need to incur additional costs by providing a separate chairman with administrative support and increased compensation; and Mr. Greenberg s unique, in-depth knowledge of the Company s corporate strategy and operating history enhances effective communication between the Board and management. The Board may separate the roles of Chairman and Chief Executive Officer in the future if circumstances change, such as in connection with a transition in leadership.

Mr. Gozon, the Chairman of the Corporate Governance Committee, currently serves as the Board s Presiding Director. Each year, the Board designates an independent, Presiding Director who chairs periodic meetings of the independent Directors and serves as principal liaison between the Chairman and the other Directors on sensitive issues. The Board will select a new Presiding Director immediately following the 2011 Annual Meeting.

Assessing and managing risk is the responsibility of senior management of the Company. Our Board plays an important role in overseeing management s performance of these functions. The Board has approved the charter of its Audit Committee, and the charter sets out the primary responsibilities of the Audit Committee. Those responsibilities require the Audit Committee to discuss with management, the general auditor and the independent auditors the Company s enterprise risk management policies and risk management processes, including major risk exposures, risk mitigation, and the design and effectiveness of the Company s processes and controls to prevent and detect fraudulent activity.

Our businesses are subject to a number of risks and uncertainties, which are described in detail in our Annual Report on Form 10-K for the year ended September 30, 2010. Throughout the year, in conjunction with its regular business presentations to the Board and its committees, management highlights significant related risks and risk mitigation plans. Management also reports to the Audit Committee and the Board on steps being taken to enhance management processes and controls in light of evolving market, business, regulatory and other conditions. The Chairman of the Audit Committee reports to the entire Board on the Audit Committee s activities and decisions. In addition, on an annual basis, an extended meeting of the Board is dedicated to reviewing the Company s short and long-term strategies and objectives, including consideration of significant risks to the execution of those strategies and the achievement of the Company s objectives.

Our Chairman and Chief Executive Officer is ultimately responsible for the effectiveness of the Company s risk management processes and he is an integral part of our day-to-day execution of those processes. As a result of his dual role, Mr. Greenberg s ability to lead management s risk management program and to assist in the Board s oversight of that program improves the effectiveness of both the Board s leadership structure and its oversight of risk.

Board Independence

The Board of Directors has determined that, other than Messrs. Greenberg and Walsh, no Director has a material relationship with the Company and each Director satisfies the criteria for an independent director under the rules of the New York Stock Exchange. The Board of Directors has established the following guidelines to assist it in determining director independence: (i) if a Director serves as an officer, director or trustee of a non-profit organization, charitable contributions to that organization by the Company and its affiliates in an amount up to $250,000 per year will not be considered to result in a material relationship between such Director and the Company, and (ii) service by a Director or his immediate family member as an executive officer or employee of a company that makes payments to, or receives payments from, the Company or its affiliates for property or services in an amount which, in any of the last three fiscal years, did not exceed the greater of $1 million or 2 percent of such other company s consolidated gross revenues, will not be considered to result in a material relationship between such Director and the Company. In making its determination of independence, the Board of Directors considered ordinary business transactions between Ms. Puccio s employer and subsidiaries of the Company which were in compliance with the categorical standards set by the Board of Directors for determining director independence.

The Board of Directors held 8 meetings in Fiscal 2010. All Directors attended at least 75 percent of the meetings of the Board of Directors and Committees of the Board of which they were members. Generally, all Directors attend the Company s Annual Meetings of Shareholders, and each of the Company s Directors attended the 2010 Annual Meeting of Shareholders. Independent Directors of the Board also meet in regularly scheduled sessions without management. These sessions are led by our Presiding Director.

Table of Contents

Board Committees

The Board of Directors has established the Audit Committee, the Compensation and Management Development Committee, the Executive Committee, and the Corporate Governance Committee. All of these Committees are responsible to the full Board of Directors. The functions of and other information about these Committees are summarized below.

Audit Committee

Oversees the accounting and financial reporting processes of the Company and independent audits of the financial statements of the Company.

Oversees the adequacy of the Company s controls relative to financial and business risk.

Monitors compliance with the Company s enterprise risk management policies.

Appoints and approves the compensation of the Company s independent accountants.

Monitors the independence of the Company s independent registered public accounting firm and the performance of the independent accountants and the internal audit function.

Discusses with management, the general auditor and the independent auditor the Company s policies with respect to risk assessment and risk management.

Provides a means for open communication among the Company s independent accountants, management, internal audit staff and the Board.

Oversees compliance with applicable legal and regulatory requirements.

Table of Contents

Audit Committee Members: R.B. Vincent (Chairman), A. Pol, and M.S. Puccio.

The Board of Directors has determined that all of the Audit Committee members Mr. Vincent, Mrs. Pol and Ms. Puccio, qualify as audit committee financial experts in accordance with the applicable rules and regulations of the SEC. Each of the members of the Audit Committee is independent as defined by the New York Stock Exchange listing standards.

Meetings held last Year: 7

Compensation and Management Development Committee

Establishes executive compensation policies and programs.

Confirms that executive compensation plans do not encourage unnecessary risk-taking.

Recommends to the Board base salaries and target bonus levels for senior executive personnel.

Assists the Board in establishing a succession plan for the positions of Chairman of the Board and Chief Executive Officer.

Reviews the Company s plans for management development and senior management succession.

Reviews and approves corporate goals and objectives relevant to the Chief Executive Officer s compensation, evaluates the Chief Executive Officer s performance in light of those goals and objectives, and together with the other independent Directors on the Board, determines and approves the Chief Executive Officer s compensation based upon this evaluation.

Reviews with management the Compensation Discussion and Analysis included in the Company s proxy statement.

Approves the awards and payments to be made to senior executive personnel of the Company under its long-term compensation plans.

Compensation and Management Development Committee Members: M.O. Schlanger (Chairman), E.E. Jones, and A. Pol.

Each of the members of the Committee is independent as defined by the New York Stock Exchange listing standards.

Table of Contents

Meetings held last year: 3

Compensation Committee Interlocks and Insider Participation

The members of the Compensation and Management Development Committee are Mr. Schlanger, Mr. Jones and Mrs. Pol. None of the members is a former or current officer or employee of the Company or any of its subsidiaries, or is an executive officer of another company where an executive officer of UGI Corporation is a director.

Executive Committee

Has the full power of the Board between meetings of the Board, with specified limitations relating to major corporate matters.

Executive Committee Members: R.C. Gozon (Chairman), L.R. Greenberg, and M.O. Schlanger.

Meetings Held last year: 2

Corporate Governance Committee

Identifies nominees and reviews the qualifications of persons eligible to stand for election as Directors and makes recommendations to the Board on this matter.

Reviews and recommends candidates for committee membership and chairs.

Advises the Board with respect to significant developments in corporate governance matters.

Reviews and assesses the performance of the Board and each Committee.

Reviews and recommends Director compensation.

Reviews Directors and officers indemnification and insurance coverage.

Table of Contents

Selection and Evaluation of Board Candidates

The Corporate Governance Committee seeks director candidates based upon a number of qualifications, including their independence, knowledge, judgment, character, leadership skills, education, experience, financial literacy, standing in the community, and ability to foster a diversity of backgrounds and views and to complement the Board s existing strengths. The Committee seeks individuals who have a broad range of demonstrated abilities and accomplishments in areas of importance to the Company, such as general management, finance, energy distribution, international business, law and public sector activities. Directors should also possess a willingness to challenge and stimulate management and the ability to work as part of a team in a collegial atmosphere. The Committee also seeks individuals who are capable of devoting the required amount of time to serve effectively on the Board and its Committees. With respect to incumbent Directors, the Committee also considers past performance of the Director on the Board. As part of the process of selecting independent Board candidates, the Committee obtains an opinion of the Company s General Counsel that there is no reason to believe that the Board candidate is not independent as defined by the New York Stock Exchange listing standards. The Committee generally relies upon recommendations from a wide variety of its business contacts, including current non-management Directors, executive officers, community leaders, and shareholders as a source for potential Board candidates. The Committee may also use the services of a third-party executive search firm to assist it in identifying and evaluating possible nominees for director. Mr. Gochnauer was recommended to the Committee as a possible nominee by a third-party executive search firm.

The Committee conducts an annual assessment of the composition of the Board and Committees and reviews with the Board the appropriate skills and characteristics required of Board members. When considering whether the Board s Directors and nominees have the experience, qualifications, attributes and skills, taken as a whole, to satisfy the oversight responsibilities of the Board, the Committee and the Board considered primarily the information about the backgrounds and experiences of the nominees contained under the caption Nominees on pages 7 to 10. In particular, with regard to Dr. Ban, the Board considered his extensive energy industry and emerging energy technologies knowledge and experience, including his experience as Chief Executive Officer of the Gas Research Institute, and his public company directorship and committee experience. With regard to Mr. Greenberg, the Board considered his executive leadership and vision demonstrated in leading the Company s successful growth for more than 15 years, and his extensive industry knowledge and experience. With regard to Mr. Schlanger, the Board considered his senior management experience as Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of Arco Chemical Company, a large public company, and his experience serving as chairman, director and committee member of the boards of directors of large public and private international companies, including his experience representing a major private equity firm s shareholder interest. With regard to Mrs. Pol, the Board considered her significant experience as a senior executive managing high technology, traditional manufacturing and services businesses, including experience in human resource management, and her insight into government regulatory issues. With regard to Mr. Jones, the Board considered his extensive experience managing government and non-profit organizations as Chief Executive Officer, his public and private company directorship experience and his insight into workforce, regulatory, banking and legal issues. With regard to Mr. Walsh, the Board considered his experience managing the Company as Chief Operating Officer, his prior senior management experience with a global public company, and his broad industry knowledge and insight. With regard to Mr. Vincent, the Board considered his senior executive experience in banking and finance, and his extensive public and private company directorship and committee experience, including his experience as Chairman of the Board of a major mutual fund organization. With regard to Ms. Puccio, the Board considered her senior financial management experience with a global company and her extensive public accounting knowledge and experience. With regard to Mr. Gochnauer, the Board considered his experience as Chief Executive Officer of a large public company, his international business senior management experience, and his public and private company directorship experience.

Table of Contents

Written recommendations by shareholders for director nominees should be delivered to the Corporate Secretary, UGI Corporation, 460 North Gulph Road, King of Prussia, PA 19406. The Company s bylaws do not permit shareholders to nominate candidates from the floor at an annual meeting without notifying the Corporate Secretary 45 days prior to the anniversary of the mailing date of the Company s proxy statement for the previous year s annual meeting. Notification must include certain information detailed in the Company s bylaws. If you intend to nominate a candidate from the floor at an annual meeting, please contact the Corporate Secretary.

Corporate Governance Committee Members: R.C. Gozon (Chairman), E.E. Jones, and M.O. Schlanger.

Each of the members of the Committee is independent as defined by the New York Stock Exchange listing standards.

meetings held last year: 2

Communications with the Board

You may contact the Board of Directors or the non-management Directors as a group by writing to them c/o UGI Corporation, P.O. Box 858, Valley Forge, PA 19482. These contact instructions have been posted on the Company s website at www.ugicorp.com under Investor Relations and Corporate Governance.

Any communications directed to the Board of Directors or the non-management Directors as a group from employees or others that concern complaints regarding accounting, internal controls or auditing matters will be handled in accordance with procedures adopted by the Audit Committee of the Board.

All other communications directed to the Board of Directors or the non-management Directors as a group are initially reviewed by the General Counsel. The Chairman of the Corporate Governance Committee is advised promptly of any such communication that alleges misconduct on the part of Company management or raises legal, ethical or compliance concerns about Company policies or practices.

On a periodic basis, the Chairman of the Corporate Governance Committee receives updates on other communications that raise issues related to the affairs of the Company but do not fall into the two prior categories. The Chairman of the Corporate Governance Committee determines which of these communications he would like to see. The Corporate Secretary maintains a log of all such communications that is available for review for one year upon request of any member of the Board.

Typically, we do not forward to our Board of Directors communications from our shareholders or other parties which are of a personal nature or are not related to the duties and responsibilities of the Board, including customer complaints, job inquiries, surveys, polls and business solicitations.

Table of Contents

Compensation of Directors

The table below shows the components of director compensation for Fiscal 2010. A Director who is an officer or employee of the Company or its subsidiaries is not compensated for service on the Board of Directors or on any Committee of the Board.

Director Compensation Table Fiscal 2010

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards	Non-Equity Incentive Plan Compen-	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation	Total			
				61,341	184,023				730,269	
	2/28/2013	2/26/2013(3)				0	19,577	58,731		233,066
Mr. Krakowsky	3/31/2013	3/27/2013(1)	0	1,000,000	2,000,000					
	2/28/2013	2/26/2013(2)	0	666,667	2,000,001	0	$ 666,667	$ 2,000,001		666,667
	2/28/2013	2/26/2013(3)				0	52,205	156,615		621,505
	2/28/2013	2/26/2013(3)				0	15,661	46,983		186,446
Mr. Carroll	5/31/2013	5/22/2013(4)	0	282,555	339,066		$ 282,555	$ 339,066		282,555
	3/31/2013	3/27/2013(1)	0	335,806	671,612					
	2/28/2013	2/26/2013(2)	0	166,667	500,000	0	$ 166,667	$ 500,000		166,667
	2/28/2013	2/26/2013(3)				0	13,051	39,153		155,373
Mr. Bonzani	3/31/2013	3/27/2013(1)	0	450,000	900,000					
	2/28/2013	2/26/2013(2)	0	250,000	750,000	0	$ 250,000	$ 750,000		250,000
	2/28/2013	2/26/2013(3)				0	19,577	58,731		233,066

65

Table of Contents

Executive Compensation *continued*

(1) Reflects the potential payout in cash that the executive was entitled to earn for calendar year 2013 pursuant to an annual incentive award made in 2013 under the 2009 PIP as described in greater detail on page 42, under the heading Compensation Discussion and Analysis 2013 Executive Compensation Program Elements Annual Incentives. The actual amounts paid are shown in the Summary Compensation Table in the column titled Non-Equity Incentive Plan Compensation.

(2) Reflects potential payout that the executive is entitled to earn pursuant to a long-term performance cash award made in 2013 under the 2009 PIP. As described in greater detail on page 46, under the heading Compensation Discussion and Analysis 2013 Executive Compensation Program Elements Long-term Incentives, depending on the actual level of performance relative to goals over a two-year performance period, an individual will be entitled to receive a payout ranging from 0% to 300% of the target amount. The amount of the payout, as so determined, will vest at the end of the third year following the grant of the award. The performance cash award will be settled 50% in cash and 50% in shares of Common Stock, with the number of shares to be determined by dividing the dollar amount of the vested share portion by the market price of the Common Stock on the vesting date. The portion of the award that would be settled in cash is shown in the Estimated Future Payout Under Non-Equity Incentive Plan column and the portion of the award that would be settled in shares is shown as a dollar amount in the Estimated Future Payout Under Equity Incentive Plan column. The grant date fair value reflects only the share-settled portion of the award.

Table of Contents

Executive Compensation *continued*

(3) Reflects potential payout in shares of Common Stock that the executive is entitled to earn pursuant to a performance share award made in 2013 under the 2009 PIP. As described in greater detail on page 46, under the heading Compensation Discussion and Analysis 2013 Executive Compensation Program Elements Long-term Incentives, depending on the actual level of performance relative to goals over a two-year performance period, an individual will be entitled to receive a payout ranging from 0% to 300% of the target amount. The amount of the payout, as so determined, will vest at the end of the third year following the grant of the award.

(4) Reflects potential payout that Mr. Carroll is entitled to earn pursuant to a long-term performance cash award made in 2013 under the 2009 PIP. As described in greater detail on page 46, under the heading Compensation Discussion and Analysis 2013 Executive Compensation Program Elements Long-term Incentives, depending on the actual level of performance relative to goals over a two-year performance period, Mr. Carroll will be entitled to receive a payout ranging from 0% to 120% of the target amount. The amount of the payout, as so determined, will vest on April 30, 2016. The performance cash award will be settled 50% in cash and 50% in shares of Common Stock, with the number of shares to be determined by dividing the dollar amount of the vested share portion by the market price of the Common Stock on the vesting date. The portion of the award that would be settled in cash is shown in the Estimated Future Payout Under Non-Equity Incentive Plan column and the portion of the award that would be settled in shares is shown as a dollar amount in the Estimated Future Payout Under Equity Incentive Plan column. The grant date fair value reflects only the share-settled portion of the award

(5) The shares shown in this column represent shares of Common Stock issuable upon the exercise of stock options. Each of the stock options has a ten-year term and vest 33%, 33% and 34% on the first, second and third anniversary date of the award.

(6) The exercise price of each stock option is equal to 100% of the fair market value of the Common Stock, which as established by the Compensation Committee is the average of the high and low sales prices of the Common Stock on the grant date as reported by the NYSE.

(7) The grant date fair value shown in the table is computed in accordance with FASB ASC Topic 718, excluding the effect of estimated service-based forfeitures. The assumptions used in the calculation of these amounts are set forth in Note 11 to Interpublic s audited financial statements included in the 2013 Form 10-K.

Table of Contents

Executive Compensation *continued*

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

The following table provides information on outstanding equity awards, consisting of stock option awards and stock awards, held by the named executive officers as of December 31, 2013.

	Option Awards(1)				Stock Awards			
Name	Number of Securities Underlying Unexcercised Options Excercisable (#)	Number of Securities Underlying Unexcercised Options Unexcercisable (2) (#)	Option Excercise Price ($)	Option Expiration Date	# of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (#) (4)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (10)
Mr. Roth		628,019	12.7700	2/28/2023	154,496(3)	2,734,579(7)	203,602(8)	3,603,755
	180,327	366,121	11.7200	2/28/2022	51,149(4)	905,337(7)	73,446(9)	1,300,000
	325,290	167,576	12.9350	2/28/2021	163,071(5)	2,886,357(7)		
	284,852	146,742	8.4500	3/31/2020	59,586(6)	1,054,672(7)		
	500,000		4.1400	3/31/2019				
	500,000		9.9125	5/30/2018				
	500,000		11.7000	5/31/2017				
	500,000		8.6550	6/15/2016				
	50,000		12.1650	8/04/2015				
	450,000		13.6450	2/14/2015				
	161,974		12.9650	7/16/2014				
Mr. Mergenthaler	84,981		9.9125	5/30/2018	49,657(3)	878,929(7)	80,918(8)	1,432,248
	102,188		11.7000	5/31/2017	32,881(4)	581,994(7)	44,256(9)	783,333
	115,540		8.6550	6/15/2016	46,591(5)	824,660(7)		
	201,775		12.3900	8/01/2015	34,049 (6)	602,667 (7)		
Mr. Krakowsky	59,487		9.9125	5/30/2018	38,623(3)	683,627(7)	67,866(8)	1,201,228
	51,094		11.7000	5/31/2017	25,574(4)	452,660(7)	37,664(9)	666,667
	57,770		8.6550	6/15/2016	31,449(5)	556,647(7)		
	32,935		12.1450	8/03/2015	22,983(6)	406,800(7)		
	21,337		14.0600	5/18/2014				
Mr. Carroll	75,000		4.1400	3/31/2019	9,931(3)	175,779(7)	13,051(8)	231,003
	33,992		9.9125	5/30/2018	6,576(4)	116,395(7)	25,379(9)	449,222
	40,875		11.7000	5/31/2017	10,483(5)	185,531(7)		
	40,439		8.6550	6/15/2016	7,661 (6)	135,600 (7)		
Mr. Bonzani					13,241(3)	234,366(7)	19,577(8)	346,513

	8,768 (4)	155,194 (7)	14,124 (9)	250,000

68

Table of Contents

Executive Compensation *continued*

(1) All of the stock options have a ten-year term and an exercise price equal to 100% of the fair market value of the Common Stock, which as established by the Compensation Committee is the average of the high and low sales prices of the Common Stock on the grant date as reported by the NYSE.

(2) The vesting schedule for the unexercisable stock options shown for Mr. Roth is as follows:

Grant Date	02/28/14 (#)	03/31/14 (#)	02/8/15 (#)	02/28/16 (#)
2/28/13	207,246		207,246	213,527
2/28/12	180,327		185,794	
2/28/11	167,576			
3/31/10		146,742		

(3) Represents the number of unvested shares of Common Stock that the named executive officer has earned under a performance share award granted in 2012, for which the performance ended on December 31, 2013. The award remains subject to forfeiture if the employment of the award recipient terminates prior to February 28, 2015.

(4) Represents a performance cash award granted in 2012, for which the performance ended on December 31, 2013. The number of shares shown in the table was calculated by dividing the dollar amount earned by closing price of the Common Stock ($17.70), as reported by the NYSE on December 31, 2013. The award remains subject to forfeiture if the employment of the award recipient terminates prior to February 28, 2015. The number of shares issued will be determined by dividing the dollar amount earned by the market price of the Common Stock on the vesting date.

(5) Represents the number of unvested shares of Common Stock that the named executive officer has earned under a performance share award granted in 2011 for which the performance ended on December 31, 2012 (the 2011 Performance Share Awards). The 2011 Performance Share Awards vested on March 31, 2014.

(6) Represents a performance cash award granted in 2011, for which the performance ended on December 31, 2012. The number of shares shown in the table was calculated by dividing the dollar amount earned by the closing price of the Common Stock ($17.70), as reported by the NYSE on December 31, 2013. These awards vested on March 31, 2014, with the number of shares issued determined by dividing the dollar amount earned by the market price of the Common Stock on that date.

(7) The value shown is calculated by multiplying (i) the number of shares shown in the column headed Number of Shares or Units of Stock That Have Not Vested by (ii) the closing price of the Common Stock ($17.70), as reported by the NYSE on December 31, 2013.

Table of Contents

Executive Compensation *continued*

(8) Represents the target number of shares of Common Stock that the named executive officer would receive under a performance share award granted in 2013, for which the performance period will end on December 31, 2014. Any shares earned will remain subject to forfeiture if the employment of the award recipient terminates prior to February 28, 2016.

(9) Represents the target number of shares of Common Stock that the named executive officer would receive under performance cash awards granted in 2013, of which (i) 50% will be settled in shares of Common Stock, with the number of shares to be determined by dividing the dollar amount of the vested payout amount by the market price of the Common Stock on the vesting date, and (ii) 50% will be paid in cash. Final payouts under the (i) performance cash awards granted on February 28, 2013 will not be known until the two year performance period ends on December 31, 2014 and (ii) performance cash awards granted on May 31, 2013 will not be known until the three year performance period ends on December 31, 2015. Any shares earned will vest on the following schedule:

Name	Grant Date	2/28/16 (#)	4/30/16 (#)
Mr. Roth	2/28/13	73,446	
Mr. Mergenthaler	2/28/13	44,256	
Mr. Krakowsky	2/28/13	37,664	
Mr. Carroll	2/28/13	9,416	
Mr. Carroll	5/31/13		15,963
Mr. Bonzai	2/28/13	14,124	

(10) The values shown in this column are calculated by multiplying (i) the number of shares shown in the column headed Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested by (ii) the closing price of the Common Stock ($17.70), as reported by the NYSE on December 31, 2013.

Table of Contents

Executive Compensation *continued*

OPTION EXCERCISES AND STOCK VESTED

The following table provides information on the number of shares of Common Stock acquired upon the exercise of stock options and the vesting of restricted share awards held by the named executive officers that occurred in 2013.

	Option Awards(1)		Stock Awards (2)	
Name	**Number of Shares Acquired on Excercise (#)**	**Values Realized on Excercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Mr. Roth	2,000	1,726	197,238	2,652,851
Mr. Mergenthaler	0		39,447	530,562
Mr. Krakowsky	18,000	61,939	29,585	397,919
Mr. Carroll	0		15,779	212,227
Mr. Bonzani				

(1) Represents the number of stock options exercised in 2013. The value realized on exercise is the amount by which the market price of the Common Stock received upon exercise exceeds the exercise price.

(2) The value realized on the vesting of restricted share awards, which vested on March 31, 2013, is equal to the sum of (i) the product of (A) the number of shares vested multiplied by (B) the average of the high and low price of the Common Stock, as reported by the NYSE, on the vesting date, plus (ii) the total amount of the accrued dividends for the period beginning on the March 2011 grant date of the award through the March 2013 vesting date, which in accordance with the terms of the awards are payable upon the vesting of the shares of Common Stock.

Name	**Vesting Date**	**Market Price ($)**	**Shares Acquired upon Vesting (#)**	**Market Value of Vested Shares ($)**	**Accrued Cash Dividend Released upon Vesting ($)**	**Value Realized upon Vesting ($)**
Mr. Roth	3/31/2013	12.895	197,238	2,543,384	109,467	2,652,851
Mr. Mergenthaler	3/31/2013	12.895	39,447	508,669	21,893	530,562
Mr. Krakowsky	3/31/2013	12.895	29,585	381,499	16,420	397,919
Mr. Carroll	3/31/2013	12.895	15,779	203,470	8,757	212,227

Table of Contents

Executive Compensation *continued*

Pension Arrangements

Executive Special Benefit Agreement

Mr. Krakowsky entered into an Executive Special Benefit Agreement (an ESBA) in 2002, which provides that if he retires, resigns or otherwise terminates employment with Interpublic after his 60th birthday, or his employment terminates due to death, Interpublic will pay him $245,000 per year for 15 years. If he retires, resigns or is terminated from employment with Interpublic on or after his 55th birthday, but prior to his 60th birthday, he will receive between $171,500 and $230,300 per year for 15 years, depending upon his age at the time of his termination. If his employment terminates (other than by reason of death) prior to his 55th birthday, he would receive $50,000 per year for eight years.

If Mr. Krakowsky has a Qualifying Termination (as defined under the heading Severance and Change of Control Benefits Estimated Current Value of Severance Benefits Upon Qualifying Termination below), the amount of his annual ESBA benefit will be the amount that would have been payable if he had continued working for Interpublic through the end of his severance period.

If Mr. Krakowsky s employment terminates within two years after a Change of Control (as defined under the heading Severance and Change of Control Benefits below) of Interpublic, his ESBA benefits would be paid in a lump sum, rather than installments. The amount of the lump sum would be the then-present value of the benefit described above, except that if Mr. Krakowsky s termination is a Qualifying Termination and Mr. Krakowsky s age as of December 31st of the year in which the Change of Control occurs is 58 or older, the lump-sum would be based on the then-present value of $245,000 per year for 15 years.

If Mr. Krakowsky dies before all required payments are made to him under these ESBAs, Interpublic would make the remaining payments to his beneficiaries.

The Interpublic Senior Executive Retirement Income Plan

Interpublic provides retirement benefits to certain U.S.

based senior executives of Interpublic and its subsidiaries under the Senior Executive Retirement Income Plan (SERIP). In general, the SERIP provides monthly payments for 10 or 15 years beginning two years after the executive s termination of employment (or, if later, when the executive reaches age 55). The amount of each participant s benefit is determined at the discretion of Interpublic, with approval from the Compensation Committee, and is set forth in a Participation Agreement entered into with the executive when the executive s participation in the SERIP is approved; the Participation Agreement may be amended from time to time, including to increase (but not to decrease) the amount of the SERIP benefit. In general, the SERIP provides that 30% of a participant s benefit becomes vested after three years of participation in the SERIP, and the vested percentage increases by 10% at the end of each of the next seven years. However, the Compensation Committee or its designee may approve an alternative vesting schedule on a case-by-case basis. If an executive breaches a non-competition or non-solicitation agreement, the executive s entire benefit will be forfeited (even if the benefit had already vested). If a participant has a Qualifying Termination, the SERIP generally provides for continued vesting through the end of the participant s severance period.

If a participant s employment terminates within two years after a Change of Control, the participant s vested SERIP benefit will be accelerated and paid in a lump sum, rather than installments. The amount of the lump sum would be based on the then-present value of the future payments, to the extent vested. In general, the vested percentage would be determined as described above, provided that if the termination is a Qualifying Termination and, as of December 31st of the year in which the Change of Control occurs, (i) the participant s age is 55 or older and (ii) the participant is within two years of full vesting, the participant s entire benefit under SERIP will be fully vested.

Of the named executive officers, only Mr. Roth participates in SERIP. Mr. Roth is entitled to receive an annual benefit of $110,000 for 15 years that is fully vested.

72

Table of Contents

Executive Compensation *continued*

Pension Benefits

The following table provides information on pension benefits held by the named executive officers as of December 31, 2013.

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefits ($) (1)(2)	Payments During Last Fiscal Year ($)
Mr. Roth	SERIP	N/A	1,025,554	0
Mr. Mergenthaler				
Mr. Krakowsky	ESBA	11	1,643,140	0
Mr. Carroll				
Mr. Bonzani				

(1) The calculation of the present value of accumulated benefit assumes a discount rate of 4.85 percent.

(2) For Mr. Krakowsky, the amount shown is the present value of the maximum benefit that he would be entitled to receive under his ESBA if he works for Interpublic continuously until he reaches age 60. The terms and conditions of the ESBA are described in greater detail on page 75 under the heading Executive Special Benefit Agreement.

Table of Contents

Executive Compensation *continued*

NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS

The Interpublic Capital Accumulation Plan

Interpublic maintains a Capital Accumulation Plan (the CAP) under which senior management employees of Interpublic and its subsidiaries selected by the Management Human Resources Committee (the MHRC) are entitled to receive deferred compensation benefits. Under CAP, a participating employee receives annual credits of a specified dollar amount (a dollar credit) and interest each December 31st. The amount of each year s interest credit is equal to 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. Each participant s account balance becomes fully vested as to both prior and future dollar and interest credits when the participant has completed three years of participation in the CAP, except that all interest credits since the inception of the participant s participation in the plan are subject to forfeiture if the participant breaches a non-competition or non-solicitation agreement. If a participant has a Qualifying Termination, the CAP provides for continued vesting through the end of the participant s severance period and a special dollar credit equal to the dollar credits that would have been added to the participant s account (based on the credit amount in effect at time of the Qualifying Termination) if he had continued working for Interpublic until the due date for his last severance payment. Any portion of a participant s benefit that is not vested upon termination of employment (taking into account accelerated vesting upon a Qualifying Termination) will be forfeited.

If a participant has a Qualifying Termination within two years after a Change of Control, (i) the participant will become fully vested and (ii) the participant s account will be credited with an amount equal to the dollar credits that would have been added to his account (based on the credit amount in effect at time of the Qualifying Termination) if he had continued working for Interpublic until the end of his severance period.

Each named executive officer, other than Mr. Bonzani, is a participant in the CAP and for 2013 received the following annual dollar credit:

Name	Annual Dollar Credit ($)
Mr. Roth	350,000
Mr. Mergenthaler	200,000
Mr. Krakowsky	50,000
Mr. Carroll	50,000

For 2013, each participant received an interest credit equal to 1.76% of his account balance as of December 31, 2013 (determined before the 2013 dollar credit was added). Each named executive officer s CAP account balance is fully vested.

In general, each named executive officer s vested account balance is payable in a lump sum two years after the termination of his employment with Interpublic and its subsidiaries. However, if the participant s employment terminates within two years after a Change of Control, payment will be accelerated.

Table of Contents

Executive Compensation *continued*

NONQUALIFIED DEFERRED COMPENSATION

The following table provides information on non-qualified deferred compensation arrangements for the named executive officers as of December 31, 2013 under the CAP.

Name	Executive contributions in last FY ($)	Registrant contributions in last FY (1) ($)	Aggregate earnings in last FY (2) ($)	Aggregate withdrawals/ distributions ($)	Aggregate balance at last FYE (3) ($)
Mr. Roth	0	350,000	46,395	0	3,032,484
Mr. Mergenthaler	0	200,000	25,011	0	1,646,065
Mr. Krakowsky	0	50,000	6,740	0	439,716
Mr. Carroll	0	50,000	6,740	0	439,716
Mr. Bonzani					

(1) The amounts shown as Registrant contributions in last FY are dollar credits that were added to the named executive officer s CAP account as of December 31, 2013 and are included in the All Other Compensation column for 2013 of the Summary Compensation Table on page 58.

(2) No earnings on deferred amounts are included in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table for 2013, 2012 or 2011 because the interest credits under the CAP did not constitute above-market or preferential earnings as defined by SEC rules.

(3) The aggregate balances shown in this column include the following dollar credits that were included in the All Other Compensation column of the Summary Compensation Table for each of 2012 and 2011 on page 58:

Name	2012 ($)	2011 ($)
Mr. Roth	350,000	350,000
Mr. Mergenthaler	200,000	200,000
Mr. Krakowsky	50,000	50,000
Mr. Carroll	50,000	50,000

Table of Contents

Executive Compensation *continued*

EMPLOYMENT AGREEMENTS, TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL ARRANGEMENTS

Employment Agreements

Each of the named executive officers has an employment agreement with Interpublic. Each employment agreement includes provisions describing the named executive officer s position and responsibilities, his salary and eligibility for incentive compensation and other benefits and perquisites. Each agreement also includes covenants pursuant to which the named executive officer agrees not to divulge confidential information of Interpublic and its subsidiaries and agrees for a period of time after termination of employment to refrain from soliciting employees of Interpublic and its subsidiaries and from soliciting or handling the business of clients of Interpublic.

Annual Bonus

Each employment agreement provides for each executive officer to receive an annual bonus target bonus, with the actual award ranging between 0% and 200% of the target depending on Interpublic financial performance, his individual performance, and management discretion.

Long-term Incentive Awards

Each employment agreement also provides for participation in Interpublic s performance-based long-term incentive programs. Each year s awards may consist of stock options, restricted stock, performance-based share and cash awards or another form of incentive award at the sole discretion of the Compensation Committee.

Employment Agreement Base Salary and Incentive Compensation Information

The following table provides the annual salary, annual incentive target percentage and long-term incentive target award value for each executive officer for 2013.

Name	Salary ($)	Annual Incentive Target (%)	Long-Term Incentive Target ($)
Michael I. Roth	1,400,000	200	7,800,000
Frank Mergenthaler	1,000,000	125	2,350,000
Philippe Krakowsky	800,000	125	2,000,000
Chris Carroll	565,110	60	500,000
Andrew Bonzani	600,000	75	750,000

Table of Contents

Executive Compensation *continued*

Michael I. Roth Employment Agreement

Mr. Roth s employment agreement also provides that he is entitled to (i) participate in the CAP and (ii) participate in such other employee benefits and programs as are available from time to time to other key management executives generally.

If Mr. Roth s employment is terminated involuntarily without Cause (as defined under the heading Severance and Change of Control Benefits below), his employment agreement provides for salary continuation for 12 months from the date notice of his termination is provided, at the rate in effect before his termination. If Mr. Roth obtains alternative employment before the end of the severance period, the amount of his severance pay will be reduced (but not below zero) by the amount of the non-contingent compensation payable to Mr. Roth in connection with his new employment for service before the end of the severance period. After an involuntary termination without Cause, Mr. Roth will also be eligible to receive (i) cash payments to subsidize the cost of medical, dental, and vision benefits at active employee rates until the end of the severance period and a subsequent COBRA period, and (ii) a cash payment equal to the amount of matching contributions that Interpublic would have contributed on his behalf to the Interpublic Savings Plan if he had continued participating in that plan until the end of the severance period. The subsidy for medical, dental and vision benefits would end if Mr. Roth accepts employment with another employer offering similar benefits. Mr. Roth may terminate his employment at any time by giving notice to Interpublic at least three months in advance.

Frank Mergenthaler Employment Agreement

Mr. Mergenthaler s employment agreement also provides that he is entitled to (i) participate in the CAP, with a current annual dollar credit of $200,000, and (ii) participate in such other employee benefits and programs as are available from time to time to other key management executives generally.

In the event of a Qualifying Termination of Mr. Mergenthaler s employment, his employment

agreement provides for a lump-sum payment equal to the sum of (i) one year s base salary at the rate in effect before his termination, (ii) his target bonus for the year of termination, plus (iii) a pro-rated portion of his target bonus for the year in which the termination occurs and (iv) any other awards and benefits to which he is entitled in accordance with their terms. In addition, if Mr. Mergenthaler or any of his dependents elects continuation health coverage under COBRA, his employment agreement provides for a lump sum payment equal to the sum of the premiums for the first year of such COBRA coverage. Mr. Mergenthaler may terminate his employment at any time by giving notice to Interpublic at least six months in advance.

Philippe Krakowsky Employment Agreement

Mr. Krakowsky s employment agreement also provides that he is entitled to (i) participate in Interpublic s Capital Accumulation Plan, with an annual dollar credit of $50,000 and (ii) participate in such other employee benefits and programs as are available from time to time to other key management executives generally.

If Mr. Krakowsky s employment is terminated involuntarily without Cause, his employment agreement provides for salary continuation for 12 months from the date notice of his termination is provided, at the rate in effect before his termination; provided that if Mr. Krakowsky obtains alternative employment before the end of the severance period, the amount of his severance pay will be reduced (but not below zero) by the amount of the non-contingent compensation payable to Mr. Krakowsky in connection with his new employment for service before the end of the severance period.

Mr. Krakowsky is also eligible to receive a bonus for the year in which his employment is terminated. After an involuntary termination, Mr. Krakowsky would also be eligible to receive: (i) continued vesting of all restricted stock and options until the end of the severance period, (ii) cash payments to subsidize the cost of medical, dental, and vision benefits at active employee rates until the end of the severance period and a subsequent COBRA period, (iii) a cash payment equal to the amount

77

Table of Contents

Executive Compensation *continued*

of matching contributions that Interpublic would have contributed on his behalf to the Interpublic Savings Plan if he had continued participating in that plan until the end of the severance period and (iv) a cash payment in lieu of continued life insurance for 12 months from the notice date. The subsidy for medical, dental and vision benefits would end if Mr. Krakowsky accepts employment with another employer offering similar benefits. Mr. Krakowsky may terminate his employment at any time by giving notice to Interpublic at least six months in advance.

Christopher Carroll Employment Agreement

Mr. Carroll s employment agreement also provides that he is entitled to participate in (i) Interpublic s Capital Accumulation Plan, with an annual dollar credit of $50,000, and (ii) such other employee benefits and programs as are available from time to time to other key management executives generally.

If Mr. Carroll s employment is terminated involuntarily without Cause, his employment agreement provides for (i) salary continuation, at the rate in effect before his termination, for 12 months from when notice of his termination is provided and (ii) lump sum payment of his target bonus for the year of termination. After his termination date, Mr. Carroll will be eligible to receive (i) cash payments to subsidize the cost of medical, dental, and vision benefits at active employee rates until the end of the severance period and a subsequent COBRA period, and (ii) a cash payment equal to the amount of matching contributions that Interpublic would have contributed on his behalf to the Interpublic Savings Plan if he had continued participating in that plan until the end of the severance period. Mr. Carroll may terminate his employment at any time by giving notice to Interpublic at least six-months in advance.

Andrew Bonzani Employment Agreement

Mr. Bonzani s employment agreement also provides for a special payment of $850,000 as compensation for long-term incentive awards that he forfeited upon leaving his previous employer. This amount was paid in two parts: (i) a $425,000 bonus payment in February 2012 and (2) a restricted cash award in the amount of

$425,000 that vested on September 30, 2012.

In addition, he is entitled to participate in such other employee benefits and programs as are available from time to time to other key management executives generally.

In the event of a Qualifying Termination, his employment agreement provides for severance pay under the Executive Severance Plan (described below), with a salary continuation period of 18 months.

Executive Severance Plan

Under the Interpublic Executive Severance Plan (ESP), certain senior management employees, including the named executive officers, are entitled to receive severance and other welfare benefits, in the event of a Qualifying Termination. In general, the ESP provides for salary continuation, at the executive s base salary rate in effect for the year of termination, for a specified number of months, which varies generally according to the seniority of the executive. If the executive s Qualifying Termination occurs within two years after a Change of Control, severance is payable in a lump sum, rather than over the severance period.

Under the ESP the named executive officers are entitled to the following salary continuation periods:

Name	Salary Continuation Period
Michael I. Roth	24 months
Frank Mergenthaler	18 months

Philippe Krakowsky	18 months
Chris Carroll	12 months
Andrew Bonzani	18 months

The ESP also provides for cash payments in lieu of continued medical, dental and vision benefits at active employee rates for the salary continuation period,

78

Table of Contents

Executive Compensation *continued*

followed by a COBRA period.

Benefits under the ESP are not in addition to severance benefits under individual employment agreements. Rather, severance benefits that are paid under individual employment agreements are credited against amounts payable under the ESP.

The ESP requires the executive to agree to certain post-termination covenants which, if violated, would result in the forfeiture of the executive s future severance payments and benefits. Benefits under the ESP are also conditioned on the executive executing a mutual release.

Change of Control Agreements

Each named executive officer has entered into a change of control agreement with Interpublic that provides for severance and other benefits in the event of a Qualifying Termination within two years after a Change of Control. These benefits are instead of, and not in addition to, the benefits the executive otherwise would be entitled to receive under the executive s employment agreement and the ESP.

Each of these change of control agreements provides for a lump-sum severance payment equal to a specified multiple of the executive s base salary plus his target bonus. For purposes of this calculation, salary and target bonus are each determined based on the rate in effect for the executive for the year of the Change of Control or for the year of the Qualifying Termination, whichever is greater.

The multiple applied and the corresponding months of service under the change of control agreements are:

Name	**Multiple**	**Months of Severance**
Michael I. Roth	3	36
Frank Mergenthaler	2	24
Philippe Krakowsky	2	24
Chris Carroll	2	24
Andrew Bonzani	2	24

In addition, under the agreement the named executive officer s benefit under the CAP will be subject to the following adjustments: (i) annual dollar credits will be added for his severance period as if his severance were paid in semi-monthly installments over his severance period (rather than in a lump sum); (ii) he will receive a prorated annual dollar credit for the year in which the severance period expires, and (iii) in addition to the interest credits added under the terms of the CAP each December 31st, the executive will receive a pro-rated interest credit for the year in which the severance period expires, at the rate applied under CAP for the year in which the executive s CAP balance is paid.

The agreement also provides that, if the named executive officer is a participant in the SERIP, the vested percentage of his SERIP benefit will be determined as if his severance were paid in monthly installments over his severance period (rather than in a lump sum).

Each agreement also provides for cash payments to subsidize the cost of medical, dental and vision benefits during the months for which severance is provided, in lieu of the benefit subsidies otherwise payable under the executive s employment agreement and the ESP.

Each agreement requires the executive to agree to certain post-termination covenants, which restrict

Table of Contents

Executive Compensation *continued*

solicitation of employees and clients, and if violated, would result in the forfeiture of the executive s severance payments and benefit.

Table of Contents

Executive Compensation *continued*

SEVERANCE AND CHANGE OF CONTROL BENEFITS

The preceding narrative describes the severance and other benefits to which the named executive officers may be entitled under the various agreements, plans and arrangements in connection with or following a termination of the executive s employment. Below is a table that quantifies the benefits that each named executive officer would have received had his employment terminated as of December 31, 2013 under the following circumstances:

Triggering Event[1]	Description
Termination for Cause or Voluntary Termination Without Good Reason	In general (subject to certain variations in each executive s employment agreement), Interpublic would have Cause to terminate an executive s employment if the executive (a) materially breaches a provision in his employment agreement and fails to cure such breach within a 15-day period; (b) misappropriates funds or property of Interpublic; (c) attempts to secure any personal profit related to the business of Interpublic without proper prior written approval; (d) engages in fraud, material dishonesty, gross negligence, gross malfeasance or insubordination, or willful (i) failure to follow Interpublic s Code of Conduct or (ii) misconduct in the performance of his duties, excluding, in either case, acts taken in good faith that do not cause material harm to Interpublic; (e) refuses or fails to attempt in good faith to perform his duties as an employee or to follow a reasonable good-faith direction of the Board of Directors or the person to whom the executive reports directly if such refusal or failure is not cured within a 15-day period; (f) has committed or is formally charged or indicted for a felony or a crime involving dishonesty, fraud or moral turpitude or (g) engages in conduct that is clearly prohibited by the policy of Interpublic prohibiting discrimination or harassment based on age, gender, race, religion, disability, national origin or any other protected category. In general, an executive would have Good Reason to terminate his employment if Interpublic, without the executive s consent, (a) materially reduces the executive s base salary; (b) materially diminishes the authority, duties or responsibilities of the executive or the supervisor to whom the executive is required to report; (c) materially diminishes the budget over which the executive has authority; (d) requires the executive to relocate to an office more than 50 miles outside the city in which he is principally based or (e) materially breaches an employment agreement with the executive. Before resigning for Good Reason, the executive generally must give Interpublic notice and an opportunity to cure the adverse action.

Table of Contents

Executive Compensation *continued*

Triggering Event	Description
Qualifying Termination	An involuntary termination of the executive s employment without Cause or a resignation by the executive for Good Reason.
Change of Control	In general, a Change of Control will be deemed to have occurred if: (i) any person, other than Interpublic or any of its subsidiaries, becomes the beneficial owner of more than 50% of the combined voting power of Interpublic s then outstanding voting securities; (ii) any person, other than Interpublic or any of its subsidiaries, acquires (during a 12-month period) ownership of 30% or more of the combined voting power of Interpublic s then-outstanding voting securities; (iii) any person acquires 40% or more of Interpublic s assets (determined based on gross fair market value) or (iv) during any 12-month period, a majority of the members of the Board is replaced by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of their appointment or election. Amounts shown in the table under the heading Change of Control are paid upon a Change of Control, without regard to whether the executive s employment is terminated.
Qualifying Termination following a Change of Control	A Qualifying Termination of an executive employment within two years after a Change of Control.
Death or Disability	Disability is determined in accordance with our policies and procedures based on the facts and circumstances presented.

82

Table of Contents

Executive Compensation *continued*

KEYS TO TERMINATION OF EMPLOYMENT AND CHANGE IN CONTROL PAYMENTS

Payment	Description
Severance	The severance amount shown as payable to each of the named executive officers in the event of a Qualifying Termination, other than following a Change of Control, is provided for under the terms of the executive s employment agreement as supplemented by the terms of ESP, except that for Messrs. Roth, Krakowsky and Carroll, severance benefits following a resignation for Good Reason are payable exclusively under the ESP.
	In the event of a Qualifying Termination following a Change of Control, the severance amount shown for each of the named executive officers is provided for under the terms of the executive s Change of Control Agreement.
Bonus	Mr. Mergenthaler s employment agreement provides for a bonus payment in the event of a Qualifying Termination, other than following a Change of Control.
	Mr. Carroll s employment agreement provides for a bonus payment only in the event of an involuntary termination without Cause (and not in the event of resignation for Good Reason), other than following a Change of Control.
	Mr. Krakowsky s employment agreement provides that he is eligible for consideration for a bonus if Interpublic terminates his employment without Cause, other than following a Change of Control, but does not provide for a bonus payment if he resigns for Good Reason.
	In the event of a Change of Control, each named executive officer is entitled to a bonus payment under the 2009 PIP at the executive s target level (without regard to whether his employment terminates).
	In the event of a termination of employment due to death or disability, the bonus amount shown for each of the named executive officers is payable under the 2009 PIP, which provides that award is pro-rated based on the time elapsed and the performance-level achieved. In the case of death, achievement of the performance objectives is determined based on actual performance through the date of death and estimated performance for the rest of the performance period. In the case of disability, achievement is measured based on actual performance through the end of the performance period.
Long-term Incentives	Under the 2009 PIP: · In the event of termination due to death or disability: · Restricted stock vests on a pro-rata basis; and · Performance shares and performance cash vest on a pro-rata basis based on the time elapsed and the performance level achieved, unless employment terminates within 12 months of the grant date (in which case the entire award is forfeited). In the case of death, achievement of the performance objectives is determined based on actual performance through the date of death and estimated performance for the rest

of the performance period. In the case of disability, achievement is measured based on actual performance through the end of the performance period.

- Stock options:
  - Fully vest in the event of death; and

Table of Contents

Executive Compensation *continued*

Payment	Description
	· Vest on a pro-rata basis in the event of disability, unless employment terminates within 12 months of the grant date (in which case the entire grant is forfeited). · The 2009 PIP provides in the event of a Change of Control (whether or not accompanied by a termination of the executive s employment): · Stock options and restricted stock fully vest; and · Performance shares and performance cash fully vest at the target performance level. Mr. Krakowsky s employment agreement provides that if his employment is terminated involuntarily without cause (but not in the event of resignation for good reason), his restricted stock and options will continue to vest during his severance period. Notwithstanding the foregoing, the Compensation & Leadership Talent Committee has discretion to accelerate vesting of any award granted under the 2009 PIP, if the named executive officer s employment terminates at least 12 months after the date of grant.
Pension/Deferred Compensation	The amounts shown as payable under the CAP in the event of (i) a termination of employment for Cause or a voluntary termination without Good Reason or (ii) death or disability reflect the account balance as of December 31, 2013. The amounts shown as payable under the SERIP in these events reflect the sum of the 15 annual payments that would be due starting at age 60 (or 2 years after termination, if later) as of December 31, 2013. The amounts shown as payable under the CAP and SERIP in the event of a Qualifying Termination or a Qualifying Termination following a Change of Control reflect the total amounts payable after applying the additional credits and vesting through the applicable severance period. In the event of a termination within 2 years after a Change of Control, (i) the amount shown for the SERIP will be paid in a lump sum at the then vested value of the future payments and (ii) the amount shown for the CAP will be paid in a lump sum. The amounts shown as payable under Mr. Krakowsky s ESBA, other than in the event of death, reflect amounts accrued as of December 31, 2013, which would be paid in annual installments of $50,000 per year. In the event of termination due to death, Mr. Krakowsky would receive 15 annual payments of $245,000 each.
Welfare Benefits	The medical, dental and benefits shown as payable upon a Qualifying Termination, other than following a Change of Control, are generally provided under the executive s employment agreement and the ESP. The medical, dental and vision benefits shown as payable in the event of a Qualifying Termination following a Change of Control are provided under the executive s Change of Control Agreement. Messrs. Roth s, Mergenthaler s, and Krakowsky s 401(k) benefit, and Mr. Krakowsky s life insurance premium benefit, are provided under their respective employment agreements.

84

Table of Contents

Executive Compensation *continued*

ESTIMATED TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL PAYMENTS

The following table shows the total amounts each named executive officer would be entitled to receive in connection with the triggering events listed in the table.

Name		Termination for Cause or Voluntary Termination Without Good Reason ($)	Qualifying Termination ($)	Death ($)	Disability ($)	Qualifying Termination following a Change of Control (5)(6) ($)
Mr. Roth	Severance	0	2,800,000	0	0	12,600,000
	Bonus	0	0	2,600,000	2,600,000	2,800,000
Long-term Incentive:	Stock Options [4]	0	0	7,441,400	2,694,375	7,441,400
	Performance Shares	0	0	7,390,339	7,390,339	10,320,516
	Performance Cash	0	0	5,196,601	5,196,601	7,266,668
Benefits:	Med/Dental/Vision	0	36,134	0	0	54,201
	401 (k) Match	0	8,850	0	0	8,850
Pension [1]						
Def Comp [3]						
Mr. Mergenthaler	Severance	0	1,500,000	0	0	3,800,000
	Annual Bonus	0	2,500,000	1,350,000	1,350,000	1,250,000
Long-term Incentive:	Stock Options	0	0	0	0	0
	Performance Shares	0	0	2,406,856	2,406,856	3,477,165
	Performance Cash	0	0	3,138,567	3,138,567	4,400,000
Benefits:	Med/Dental/Vision	0	37,588	0	0	50,116
	401 (k) Match	0	8,850	0	0	8,850
Def Comp [3]						
Mr. Krakowsky	Severance	0	1,500,000	0	0	4,000,000
	Annual Bonus	0	1,000,000	1,100,000	1,100,000	1,000,000
Long-term Incentive:	Stock Options	0	0	0	0	0
	Performance Shares	0	0	1,830,083	1,830,083	2,697,958
	Performance Cash	0	0	2,295,856	2,295,856	3,400,000
Benefits:	Med/Dental/Vision	0	38,541	0	0	51,387
	401 (k) Match	0	12,675	0	0	12,675
	Life Insurance	0	1,345	0	0	1,345
Pension [2]						
Def Comp [3]						

Table of Contents

Executive Compensation *continued*

Name (cont.)		Termination for Cause or Voluntary Termination Without Good Reason ($)	Qualifying Termination ($)	Death ($)	Disability ($)	Qualifying Termination following a Change of Control (5)(6) ($)
Mr. Carroll	Severance	0	565,110	0	0	1,808,352
	Annual Bonus	0	339,066	345,000	345,000	339,066
Long-term Incentive:	Stock Options (4)	0	0	0	0	0
	Performance Shares	0	0	474,751	474,751	662,777
	Performance Cash	0	0	893,711	893,711	1,498,443
Benefits:	Med/Dental/Vision	0	37,589	0	0	50,117
	401 (k) Match	0	8,850	0	0	8,850
Def Comp (3)						
Mr. Bonzani	Severance	0	900,000	0	0	2,100,000
	Annual Bonus	0	0	425,000	425,000	450,000
Long-term Incentive:	Stock Options	0	0	0	0	0
	Performance Shares	0	0	404,515	404,515	648,546
	Performance Cash	0	0	555,900	555,900	900,000
Benefits:	Med/Dental/Vision	0	31,526	0	0	42,034
	401 (k) Match	0	8,420	0	0	8,420

(1) The payment Mr. Roth is entitled to receive under the SERIP is described in detail on page 75, under the heading Pension Benefits The Interpublic Senior Executive Retirement Income Plan .

(2) The payment Mr. Krakowsky is entitled to receive under his ESBA is described in detail on page 75, under the heading Pension Benefits Executive Special Benefit Agreement .

(3) The payments each named executive officer is entitled to receive under the CAP, other than Mr. Bonzani who is not a participant under the CAP, is set forth on page 77 in the Non-Qualified Deferred Compensation table under the column heading Aggregate Balance FYE .
Each of the named executive officers shall be entitled to the following additional amounts under the CAP in the event such named executive officer

is terminated pursuant to either (i) a Qualifying Termination or (ii) a Qualifying Termination following a Change of Control:

Name	Qualifying Termination ($)	Qualifying Termination following a Change in Control ($)

Mr. Roth	813,843	1,231,538
Mr. Mergenthaler	245,471	461,971
Mr. Krakowsky	62,117	116,494
Mr. Carroll	57,739	116,494

86

Table of Contents

Executive Compensation *continued*

(4) Represents the aggregate amount of the difference between the closing price of the Common Stock on December 31, 2013 ($17.70) and exercise price of all unvested stock options having an exercise price that is less than $17.70 (the In-the-Money Value).

(5) Some benefit payments shown in the table below may be reduced if necessary to avoid adverse tax consequences to the executive under Section 280G of the Internal Revenue Code.

(6) The payments shown in this column under Bonus and Long-Term Incentive would be paid to the executive in the event of a Change of Control regardless of whether the executive s employment is terminated.

Table of Contents

ITEM 4. PROPOSAL TO ADOPT THE INTERPUBLIC GROUP 2014 PERFORMANCE INCENTIVE PLAN

On March 27, 2014, upon the recommendation of our Compensation Committee, our Board of Directors unanimously approved The Interpublic Group 2014 Performance Incentive Plan (the Plan), subject to approval by our shareholders at this Annual Meeting. The Plan would replace the 2009 PIP and would apply to awards granted on or after the date of our Annual Meeting.

The adoption of the Plan is required in order to enable Interpublic to continue to provide equity-based incentive compensation. The Plan also will assist Interpublic further to align the interests of participating employees with the interests of shareholders, closely link employee compensation with Interpublic s

performance and maintain high levels of employee stock ownership. Interpublic strongly believes that the emphasis of the Plan on employee stock ownership and performance-based compensation will play an integral role in Interpublic s future success. Therefore, the approval of the Plan is vitally important.

The Plan provides an essential component of the total compensation package offered to key employees. It reflects the importance placed by Interpublic on motivating employees to achieve superior results over a long term and paying employees based on that kind of achievement. The Plan will also assist Interpublic to attract and retain key employee talent. See Compensation Discussion and Analysis on page 26.

KEY PLAN FEATURES

PROVISIONS DESIGNED TO PROTECT SHAREHOLDER INTERESTS

Among the key features of the Plan, which the Board of Directors believes reflect Interpublic s strong commitment to sound compensation and governance practices, are the following:

- The administration of the Plan by the Compensation Committee, which is comprised solely of non-employee directors who qualify as independent under the rules of the NYSE;
- Limit on shares available for grants of awards;
- The Board expects that approximately 66% of the new shares available for awards under the Plan will be used for performance-based share awards;
- Prohibitions of stock option repricings and exchanges (without shareholder approval), discounted stock options, reload stock options and loans to Plan participants;
- Maximum term for stock options and stock appreciation rights is 10 years;

- No evergreen provision to automatically increase the number of shares issuable under the Plan; and

- Double-trigger requirement to accelerate vesting under a Change-in-Control.

If the Plan is approved by shareholders at the Annual Meeting, no further awards will be made under the 2009 PIP, except to the extent required to settle awards then outstanding. If the Plan is not approved by shareholders, the 2009 Plan will remain in effect in accordance with its terms.

88

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

To protect shareholder interests from the potential dilutive impact of equity awards, the Company actively manages its program to use its equity plan resources as effectively as possible. The Company generally limits the issuance of stock to (1) those positions deemed critical to the Company s future success, (2) individuals whose personal performance makes them highly valuable to the Company, and (3) essential new hires. As a result, equity awards are generally granted to senior level individual contributors and management across all Company functions. For more information regarding the potential dilutive impact of the Company s equity awards and the 2014 Plan, please see the discussion under Equity Overhang and Burn Rate below.

DETERMINATION OF THE SHARES AVAILABLE UNDER THE PLAN

In order to decide upon a number of the Plan features, the Compensation Committee consulted Meridian Compensation Partners LLC (Meridian), its independent compensation consultants. Meridian examined various factors, including our burn rate, and performed an overhang analysis. The Committee considered Meridian s analysis and advice in reaching its decision on the total number of shares to include in the Plan. The Committee and the Board also considered the need for shareholder approval of the Plan to maintain the ability to make awards that are intended to qualify as performance-based under Internal Revenue Code Section 162(m).

The number of shares available for grants of all equity awards under the Plan will be 28.75 million shares plus the following shares subject to outstanding awards as of May 22, 2014 under any Prior Plans (as defined below) but not issued: (a) shares that are forfeited or otherwise not issued due to termination of employment or expiration of an option or stock appreciation right, (b) shares subject to full-value awards that were accounted for in shares but are settled in cash, and (c) shares subject to outstanding performance share awards, to the extent that number of shares issued was less than the target number; this number is subject to adjustment as described below. Any shares authorized but not subject to then-outstanding awards under the

2009 PIP will be extinguished under that plan upon approval of the Plan. Prior Plans means Interpublic s 2006 Performance Incentive Plan, as amended, and the 2009 PIP.

The Board believes this number represents a reasonable amount of potential equity dilution and provides a powerful incentive for employees to increase the value of the company for all shareholders.

While future needs will depend on actual grant practices, potential future hires, the price of the Common Stock and actual performance and resulting payouts under performance based awards, the Board currently believes that the shares of Common Stock authorized for issuance under the Plan will be sufficient to meet Interpublic s incentive compensation needs for approximately a five-year period.

EQUITY OVERHANG

Following the annual long-term incentive grants for 2014 as reflected in the Shares Subject to Outstanding Awards table below, there were a total of 37,871,494 shares available for grant of new awards under the 2009 PIP, of which 18,758,434 shares were available for full-value awards (e.g., restricted stock, performance cash payable in shares, and performance share grants) and 19,113,060 shares available for stock options and stock appreciation rights. All of these available shares will be extinguished upon approval of the 2014 Plan.

If approved, the 28.75 million shares available under the Plan would represent approximately 6.8% of the 424,962,468 shares of common stock outstanding as of March 27, 2014. Assuming the approval of the Plan and the extinguishment of the 37,871,494 shares from 2009 PIP, the potential equity overhang from all stock incentives granted and available to employees and directors would be approximately 9.9%.

If the 2014 PIP is not approved, the current equity overhang under the 2009 PIP will be approximately 11.6%.

89

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

Overhang is defined as the sum of:

- outstanding stock options, plus
- outstanding full-value awards, including performance shares and restricted stock grants; plus,
- the number of shares available for future grant under the 2009 Directors Plan,

divided by the sum of:

- 424,962,468 (the total outstanding shares of common stock as of March 27, 2014), plus
- all shares in the numerator.

Shares Subject to Outstanding Awards

On February 28, 2014, we made our annual long-term incentive grants for 2014 under the 2009 Performance Incentive Plan. Because these developments affect the amounts reported in the Equity Compensation Plan Information table on page 104 of this proxy statement, the following table provides supplemental information regarding awards outstanding and shares available for issuance under the 2009 PIP as of February 28, 2014:

	Options/Shares Outstanding as of 12/2013	Options/Shares Granted YTD 2014 (through 2/28/2014)	2014 Option/Shares Expired, Canceled or Released as of 2/28/2014	Options/Shares Outstanding as of 2/28/2014
Stock Options	9,384,466	0	-338,861	9,045,605
Full-Value Shares[(1)]	6,062,279	4,394,712	-1,887,490	8,569,501

(1) Includes approximately 1.9 million and 2.3 million of issuesd, non-vested stock-settled awards as of December 31, 2013 and February 28, 2014, respectively.

Burn Rate

The Compensation Committee and the Board also considered the burn rate with respect to the equity awards. The burn rate is the total equity awards we granted in a fiscal year divided by the total common stock outstanding at the beginning of the year. Our three-year average burn rate of 1.29% for the time period from 2011 to 2013 is below the median burn rate of 1.72% for S&P 1500 companies in FY2012 (source: Equilar 2013 Equity Trends Report) and well below the ISS Media Industry Mean of 2.99%. We will continue to monitor

our equity use in future years to ensure our burn rate is maintained within competitive market norms.

It should also be noted that the Board authorized a series of share repurchase programs through 2014 totaling $1.65 billion. Through the end of 2013, the Company has purchased 106,750,169 shares of its common stock, which substantially offsets the dilutive impact of the shares proposed to be available for award grants under the Plan.

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

DESCRIPTION OF THE PLAN

The text of the Plan is attached hereto as Appendix A and is hereby incorporated by reference. The following description of the Plan is qualified in its entirety by reference to the text of the Plan.

Purposes of the Plan

The purposes of the Plan are to promote the interests of Interpublic by enabling Interpublic to:

- attract, retain, and motivate talented employees,
- provide the participants in the Plan with cash and equity-based incentives tied to the achievement of business, financial and strategic objectives of Interpublic and its subsidiaries and affiliates, and
- provide the participants in the Plan with incentives and opportunities tied to Interpublic s Common Stock.

Administration

The terms of the Plan require that it be administered by a committee (the Committee) appointed by the Board of Directors that satisfies the requirements of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act). The Committee s powers include the powers to designate participants in the Plan, to determine the nature and size of awards, and to interpret the Plan (including to correct defects, remedy omissions and resolve ambiguities and inconsistencies). Under Rule 16b 3 under the Exchange Act, the Committee must be composed solely of two or more members of the Board of Directors who are not employees of Interpublic and who do not have any other disqualifying affiliations with Interpublic. The Board of Directors has assigned the responsibility for the administration of the Plan to its Compensation Committee.

The Committee is authorized to delegate its authority under the Plan to the extent permitted by applicable law to one or more of its members or to one or more persons other than its members, except that (i) no

such delegation of authority is permitted with respect to the participation in the Plan of persons who are subject to Section 16 of the Exchange Act and (ii) any award granted to a person to whom authority is delegated must be granted directly by the Committee. Pursuant to this authority, the Committee has delegated certain responsibilities and authority to Interpublic s Management Human Resources Committee (a committee comprised of senior officers of the Company). To the extent that the Committee delegates (or has delegated) its authority, references in this summary to the Committee include the Committee s designee.

Eligibility

Any employee of Interpublic, or any of its subsidiaries or affiliates (defined generally to include any corporation or other entity in which Interpublic directly or indirectly owns at least a 40% interest) that the Committee determines to be responsible for, or able to contribute to, the growth, profitability, and success of Interpublic is eligible to participate in the Plan. Approximately 650 employees of Interpublic and its subsidiaries and affiliates will be eligible to participate in the Plan. Directors who are not employees of Interpublic or any of its subsidiaries or affiliates are not eligible to participate in the Plan.

Shares Available for Awards

The Board has reserved a maximum of 28.75 million shares (subject to adjustment as described below) for issuance pursuant to stock options, stock appreciation rights (SARs), restricted stock awards, restricted stock units, performance shares and other stock-based awards under the Plan.

In addition to the number of shares described in the preceding sentence, the following shares subject to outstanding awards under the Prior Plans as of May 22, 2014, but not issued, will become available for issuance under the Plan: (a) shares that are forfeited or otherwise not issued due to termination of employment, (b) expiration of an option or SAR, (c) shares subject to

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

full-value awards that were accounted for in shares but are settled in cash, and (d) shares subject to outstanding performance share awards, to the extent that number of shares issued was less than the target number; this number is subject to adjustment as described below. Of the maximum number of shares available for issuance under the Plan, no more than 2,000,000 shares may be the subject of incentive stock option awards in any calendar year.

In determining at any time the number of shares of Common Stock available in the respective share pools for future awards under the Plan, the following rules will apply:

- The number of shares covered by an award will count against the respective limitations on the number of shares available for awards under the Plan only to the extent that the shares are actually issued.

- If an award (i) terminates, lapses or is forfeited without the issuance of such shares, (ii) is otherwise settled without the delivery of the full number of shares underlying the award, (iii) is settled in cash in lieu of shares, or (iv) is exchanged (prior to the issuance of shares) for awards not involving shares, then the shares covered by such award or to which such award relates will, to the extent of such termination, lapse, settlement or exchange, be available again for future awards.

- Any shares that are (i) delivered in payment of the exercise price of an option, or (ii) are withheld or delivered to pay the withholding taxes related to an option, SAR, or other stock-settled award will be available again for grant under the Plan.

In addition, any shares of Common Stock underlying awards granted in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by Interpublic or one of its subsidiaries or affiliates or with which Interpublic or one of its subsidiaries or affiliates combines, will not, unless required by law or regulation, be counted against

the number of shares of Common Stock available for awards under the Plan.

The shares of Common Stock issuable under the Plan may be either (i) authorized but unissued shares or (ii) shares held in treasury and not reserved for some other purpose.

Any shares issuable in connection with outstanding performance cash awards granted under the 2009 PIP will count against the Plan.

Types of Awards

The following types of awards may be made to eligible employees under the Plan:

- stock options and stock appreciation rights (SARs),

- restricted stock,

- restricted stock units (RSUs),
- performance shares, performance units, and other stock-based awards,
- executive incentive performance awards,
- performance cash,
- dividend equivalents, and
- shares in lieu of cash

The selection of employees to receive awards, the type and amount of an award, and the terms and conditions of an award all are matters that are determined in the sole discretion of the Committee (or its designee).

Stock Options and Stock Appreciation Rights Stock options granted under the Plan may be either incentive stock options (ISOs) that are intended to satisfy the requirements of Section 422 of the Internal Revenue Code of 1986, as amended (the

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

Code), or options that are not intended to meet such requirements (non-qualified stock options). No participant may receive stock options and SARs with respect to more than 2,000,000 shares of Common Stock in any calendar year (adjusted as described under the heading Adjustments, below). The Plan prohibits the Committee from granting any stock option with a so called reload feature (under which the holder of a stock option is automatically granted additional stock options to the extent the holder tenders shares of Common Stock to pay the exercise price of the stock option or to satisfy tax withholding obligations associated with the exercise).

The exercise price of a stock option, and the grant price of a SAR, may not be less than 100% of the fair market value (as defined in the Plan) of the Common Stock on the date of the grant. The term of a stock option or SAR may not be longer than 10 years. Each stock option and SAR may be exercised at such times and subject to such terms and conditions as the Committee may specify at the time of the grant or thereafter; provided that, except in the event of the retirement, death, or disability of the holder, or after a change of control (as hereinafter defined), a stock option or SAR may not be exercised in whole or in part during the twelve month period following the grant.

Restricted Stock Restricted stock is Common Stock that is granted to an employee, and is subject to forfeiture and may not be transferred (i.e., not vested) until the satisfaction of such terms and conditions as the Committee may determine. The conditions may be employment based, performance based, or both. Employment based awards of restricted stock vest if the holder completes a period of employment designated by the Committee. Performance based awards of restricted stock vest to the extent that performance objectives established by the Committee are attained. The period during which restricted stock is subject to forfeiture (and may not be transferred) is referred to as the restricted period.

The performance criteria selected by the Committee for performance based awards of restricted stock must

be based on one or more of the performance criteria described under the heading Criteria for Performance Based Awards .

In any calendar year, no participant may be granted performance-based awards of restricted stock and restricted stock units (described below) relating in the aggregate to more than 1,000,000 shares of Common Stock (adjusted as described under the heading Adjustments, below).

Except in the event of the retirement, death or disability of the holder or a change of control (as hereinafter defined), the restricted period may not be less than one year. If a holder of restricted stock ceases to be employed due to disability or death, the holder or his estate will be entitled to receive a prorated portion of the award as determined in accordance with Section 6(e) of the Plan. Subject to such terms, conditions, and restrictions as may be imposed by the Committee, the holder otherwise has absolute ownership of the restricted shares during the restricted period, including the right to vote and receive dividends on the shares.

Restricted Stock Units A restricted stock unit is a contractual right to receive a payment, in cash, shares of Common Stock, or a combination of both, as determined by the Committee, that is based on the fair market value of a share of Common Stock and that becomes vested and payable upon the attainment of conditions established by the Committee. Vesting may be employment based, performance based, or both. Employment based awards of restricted stock units vest if the holder completes a period of employment designated by the Committee. Performance based awards of restricted stock units vest to the extent that performance objectives established by the Committee are attained. The performance criteria that may be selected by the Committee for performance based awards of restricted stock units are the same as those described above with respect to the vesting of performance based restricted stock awards. The period before a restricted stock unit becomes vested is referred to as the restricted period.

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

In any calendar year, no participant may be granted performance-based awards of restricted stock and restricted stock units relating in the aggregate to more than 1,000,000 shares of Common Stock (adjusted as described under the heading Adjustments, below).

Except in the event of the retirement, death or disability of the holder or after a change of control (as hereinafter defined), the restricted period may not be less than one year. If a holder of restricted stock units ceases to be employed due to disability or death, the holder or his estate will be entitled to receive a prorated portion of the award as determined in accordance with Section 6(e) of the Plan. The holder of a restricted stock unit has no ownership interest in the shares of Common Stock to which the restricted stock unit relates unless and until a payment in respect thereof is made in shares of Common Stock.

Performance Shares, Performance Units, and Other Stock-Based Awards Performance shares and performance units represent a contractual right of the holder to receive a payment that becomes vested upon (a) the attainment of performance objectives established by the Committee relating to one or more of the performance criteria described under the heading Criteria for Performance Based Awards and (b) completion of a specified period of employment. If a holder of a performance share or performance unit award ceases to be employed due to disability or death, the holder or his estate will be eligible to receive a prorated portion of the award as calculated in accordance with Section 7(c) of the Plan.

The Committee may also grant other types of stock-based awards not otherwise described by the terms of the Plan. The number of performance shares, performance units, and other stock-based awards granted to an employee, the applicable performance objectives, the performance period and all other terms and conditions of a performance share, performance unit, or other stock-based award are determined in the discretion of the Committee. Performance shares, performance units, and other stock-based awards may be settled in cash, shares of Common Stock or a

combination of cash and shares, as determined by the Committee. The maximum aggregate payment to a Plan participant with respect to performance shares, performance units, and other stock-based awards for any three-year performance period is 2,000,000 shares (adjusted as described under the heading Adjustments, below); for purposes of calculating the amount of any such award, the value of shares will be determined on the vesting date.

Performance Cash Awards Performance cash grants represent a contractual right of the holder to receive a dollar amount that becomes vested upon (a) the attainment of performance objectives established by the Committee (relating to one or more of the same criteria described above with respect to the vesting of performance based restricted stock awards) and (b) completion of a specified employment period. Performance cash awards may be settled in cash, shares of Common Stock, or a combination of cash and shares, as determined by the Committee. If a holder of a performance cash award ceases to be employed due to disability or death, the holder or his estate will be eligible to receive a prorated portion of the award as calculated in accordance with Section 8(c) of the Plan. The value of the performance cash award, the applicable performance objectives, the performance period and all other terms and conditions of a performance cash grant are determined in the discretion of the Committee. The maximum that may be paid to a holder with respect to a performance cash award for any three-year performance period is $10 million.

Executive Incentive Performance Award Under the executive incentive performance award component of the Plan, the Committee in its sole discretion is authorized to make executive incentive performance awards (EIP awards) to employees of Interpublic and its subsidiaries and affiliates, subject to the limitation that no single individual is permitted to receive in any calendar year an award in excess of $6 million (prorated to reflect the length of the period for which the EIP award is granted). The amount of any EIP award is determined by the Committee and is contingent upon

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

the achievement of performance objectives relating to one or more of the performance criteria described under the heading Criteria for Performance Based Awards .

EIP awards may be made in cash, shares of Common Stock, or a combination of cash and shares. Subject to certain restrictions described in the Plan, the Committee in its discretion may direct that all or part of an individual s EIP award be paid on a deferred basis.

In the event of a Change of Control, all outstanding EIP awards will become vested as follows:

- If the Change of Control occurs on or before March 31 of a calendar year, a pro-rated portion of the target amount will become vested; and

- If the Change of Control occurs after March 31 of a calendar year, the EIP awards will be fully vested at target.

Criteria for Performance Based Awards Subject to the other terms of the Plan, the Committee may condition the grant, retention, issuance, payment, release, vesting or exercisability of any award, in whole or in part, upon the achievement of performance criteria during one or more specified performance periods. The performance criteria will be any one or more of the following performance criteria, either individually, alternatively or in any combination, applied to the performance of (i) Interpublic, (ii) a subsidiary of Interpublic, (iii) an affiliate of Interpublic, (iv) a division or unit of Interpublic or any subsidiary or any affiliate of Interpublic, (v) an office, group of agencies, or all or part of any agency system of Interpublic, or (vi) any combination of the foregoing, over a period established by the Committee, as measured either in absolute terms or in comparison with the performance of other companies, in each case established by the Committee:

- adjusted net income, earnings per share (basic or diluted),

- operating income, operating income growth, or operating profit after tax,

- net operating profit,

- gross or operating margins,

- operating efficiency,

- revenue or revenue growth,

- organic revenue growth,

· return on equity,

· share price (including growth measures and total shareholder return),

· cash flow (including operating cash flow, free cash flow, cash flow return on equity, and cash flow return on investment),

· earnings before interest, taxes, depreciation and/or amortization,

· net earnings or net income (before or after taxes),

· net sales or revenue growth,

· return measures (including return on assets, capital, invested capital, equity, sales, or revenue),

· productivity ratios,

· expense targets,

· market share,

· customer satisfaction,

· working capital targets,

· economic value added (net operating profit after tax minus the sum of capital multiplied by the cost of capital), or

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

- any other criteria selected by the Committee, except to the extent that the award is intended to qualify as performance-based compensation under Section 162(m) of the Code and is not granted in connection with an award under the Executive Performance Plan (described below).

The Committee will certify the extent to which the performance criteria have been satisfied, and the amount payable as a result thereof, prior to payment, settlement or vesting of any award that is intended to satisfy the requirements for performance-based compensation under Section 162(m) of the Code. To the extent that an award is granted to settle an award under the Executive Performance Plan (described below), the Committee will have discretion to adjust the amount or value of the award, provided that the value (in combination with any other awards) does not exceed the formula amount determined under the Executive Performance Plan.

Dividend Equivalents The Committee in its sole discretion is authorized grant dividend equivalents to employees with outstanding share awards (other than stock options or SARs), entitling such employees to receive payments (in cash or shares of Common Stock) equivalent to the amount of cash or share dividends paid by the Company to holders of Common Stock.

Shares in Lieu of Cash The Committee may award shares of Common Stock in lieu of all or part of any compensation that otherwise is payable in cash to an employee by Interpublic or any of its subsidiaries or affiliates. If shares of Common Stock are issued in lieu of cash, the number of shares to be issued must have a fair market value (as defined in the Plan) equal to or less than the amount of cash otherwise payable.

Foreign Benefits

The Committee may grant awards to employees of Interpublic and its subsidiaries and affiliates who reside in jurisdictions outside the United States. The Committee may adopt such supplements to the Plan as may be necessary to comply with applicable laws of

such jurisdictions and to afford participants favorable treatment under such laws; provided that no award may be granted under any such supplement on the basis of terms or conditions that are inconsistent with provisions of the Plan.

Unvested Awards Upon Termination of Employment

If the employment of the holder of an award terminates for any reason other than the death or disability of such holder, any portion of the award that is not vested or does not become vested under the terms of the Plan will be forfeited unless the Committee in its sole discretion determines otherwise. If the employment of the holder of an award terminates for cause, all of his outstanding awards will be canceled unless the Committee provides otherwise in the applicable award agreement. Except as otherwise provided by the Compensation Committee or its designee, a participant who receives severance pay or otherwise remains on a Company payroll after his or her employment terminates may continue to be treated as an employee until the date as of which he or she is withdrawn from the payroll.

Nontransferability

No award may be assigned, transferred, or subject to a lien, except by will or by the laws of descent and distribution, or as required by law; provided that the Committee has discretion to allow an option to be transferred to a member of the participant s immediate family or to a trust, partnership, corporation, or similar vehicle, the parties in interest in which are limited to the participant and members of the participant s immediate family.

Double-Trigger Change of Control The Committee may include provisions in any Award Agreement relating to a Change of Control, including the acceleration of the vesting, delivery or exercisability of, or the lapse of restrictions or deemed satisfaction of goals with respect to, any outstanding Awards, or conversion of a stock-settled award to a cash-settled award; provided that, except as described above for EIP awards, the

96

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

Committee shall not be permitted accelerate the delivery or exercisability of, or the lapse of restrictions with respect to a Change of Control unless (in addition to any other conditions set forth in the Award Agreement):

- the Change of Control actually occurs; and
- the recipient s employment terminates without Cause, under circumstances specified in the award agreement. The circumstances specified in award agreements granted in 2014 are involuntary termination by the Company and, for employees with good reason rights (including the named executive officers), resignation for Good Reason.

Change of Control, Cause and Good Reason are defined in the Plan and, unless the Award Agreement indicates otherwise, have the same meanings set forth above under ***Executive Compensation Potential Payments Upon Termination or Change-in-Control.***

Adjustments

Upon the occurrence of a corporate transaction that affects the Common Stock such that an adjustment is required to preserve, or to prevent enlargement of, the benefits or potential benefits available under the Plan, the Committee shall, in such manner as the Committee deems equitable, adjust any or all of (i) the number and kind of shares that thereafter may be made the subject of awards, (ii) the number and kind of shares that are subject to outstanding awards, and (iii) the grant, exercise, or conversion price of any award. In addition, the Committee may make provisions for a cash payment (in lieu of stock) to a participant or other person holding an outstanding award. A corporate transaction is defined by the Plan to mean, in general, any stock split, stock dividend, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below fair market value, or other similar event.

Repricing and Exchange of Options

Except adjustments to preserve, or prevent the enlargement of, benefits of a participant in the Plan in connection with a corporate transaction (as defined above), the Committee is not permitted to reprice or exchange stock options without the approval of Interpublic s shareholders.

Amendment of the Plan

The Board of Directors or the Committee may amend, suspend, or terminate the Plan, or any portion thereof, at any time; provided that no amendment may be made without shareholder approval if (i) shareholder approval is required by law, regulation, a stock exchange listing requirement or a provision of the Plan or (ii) if the amendment would increase the number of shares of Common Stock available for awards under the Plan, other than in connection with a corporate transaction as described above. Without the written consent of an affected participant, no termination, suspension, or modification of the Plan may adversely affect any right of such participant under the terms of an award granted before the date of such termination, suspension, or modification.

Clawback

All awards granted under the Plan will be subject to any incentive compensation, clawback, or recoupment policy currently in effect or as may be adopted by the Board (or a committee or subcommittee of the Board), in each case as may be amended from time to time.

Use of Proceeds

All proceeds received by Interpublic from the sale of shares of Common Stock under the Plan will be used for general corporate purposes.

Indemnification

Except in the case of bad faith, fraud or willful misconduct, each member of the Board and the

97

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

Compensation Committee, and each employee to whom authority is delegated under the Plan, will be indemnified and held harmless by Interpublic against any loss, cost, liability or expense that is imposed or incurred by such individual in connection with or resulting from any action, suit or proceeding in which such individual is involved by reason of any action or omission of such member in good faith pursuant to the Plan or a participant s participation therein.

Governing Law

The Plan will be governed by the laws of the State of New York to the extent not superseded by Federal law.

Effective Date and Duration of the Plan

The Plan will become effective on the date that it is approved by Interpublic s shareholders. No awards may be granted under the Plan after our 2024 annual meeting of shareholders. Upon shareholder approval of the Plan, no further awards may be made under the 2009 Plan.

U.S. Federal Income Tax Consequences

The material U.S. federal income tax consequences of awards under the Plan, based on the current provisions of the Internal Revenue Code and the regulations there under, with respect to employees who are subject to U.S. income tax are as set forth below. State, local, employment, and other taxes (other than U.S. federal income taxes) are not discussed in this document.

Non-Qualified Stock Options The grant of a non-qualified stock option to an employee will have no federal income tax consequences to the employee or to Interpublic or its subsidiaries or affiliates. In general, upon the exercise of a non-qualified stock option, the employee will recognize ordinary income equal to the excess of the acquired shares fair market value on the exercise date over the exercise price, and the employer generally will be entitled to a tax deduction in the same amount.

ISOs The grant of an ISO to an employee will have no federal income tax consequences to the employee or to Interpublic or its subsidiaries or affiliates. In general, upon the exercise of an ISO, the employee will not recognize income for federal income tax purposes, and the employer will not be entitled to a federal income tax deduction. However, the excess of the acquired shares fair market value on the exercise date over the exercise price is included in the employee s income for purposes of the alternative minimum tax. When an employee disposes of ISO shares, the difference between the exercise price and the amount realized by the employee will, in general, constitute capital gain or loss, as the case may be. However, if the employee fails to hold the ISO shares for more than one year after exercising the ISO and for more than two years after the grant of the ISO, (i) any gain realized by the employee upon the disposition of the shares, up to the excess of the fair market value of the shares on the exercise date over the exercise price generally will be treated as ordinary income, (ii) the balance of any gain or any loss will be treated as a capital gain or loss, and (iii) the employer generally will be entitled to a tax deduction equal to the amount of ordinary income recognized by the employee.

Restricted Shares In general, the recipient of restricted shares will recognize ordinary income, and the employer will be entitled to claim a deduction, on the earlier of (a) the date the shares become transferable or (b) the date the shares cease to be subject to a substantial risk of forfeiture. The amount of the recipient s ordinary income and the employer s deduction will equal the fair market value of the shares received (less any amount paid for the shares), determined on the recognition date.

The recipient of restricted shares may elect to recognize income when the shares are granted, rather than upon the expiration of the transfer restriction or substantial risk of forfeiture. If an employee makes this election, the amount of ordinary income, and the amount of the employer s tax deduction, are determined as of the date of grant.

Other Awards With respect to other awards that are

98

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

settled either in cash or in shares that are transferable or are not subject to a substantial risk of forfeiture, the employee will recognize ordinary income equal to the excess of (a) the cash or the fair market value of any shares received (determined as of the date of settlement) over (b) the amount, if any, paid for the shares by the employee, and the employer generally will be entitled to a tax deduction in the same amount.

When an employee sells any shares acquired under a nonqualified stock option or any other award other than an ISO, the employee will recognize capital gain or loss equal to the difference between the amount realized on the disposition of the shares and the employee s basis in the shares. In general, the employee s basis in any such shares will equal the amount of ordinary income recognized in connection with the receipt of the shares plus any amount paid for the shares.

When a cash payment is made to an employee, the employee will recognize the amount of the cash payment as ordinary income, and the employer generally will be entitled to a tax deduction in the same amount.

In general, a corporation is denied a deduction for any compensation paid to its chief executive officer or to any of its four most highly compensated officers (other than the chief executive officer) to the extent that the compensation paid to the officer exceeds $1,000,000 in any year. However, performance based compensation is not subject to this deduction limit. The Plan permits the grant of both awards that are intended to qualify as performance based compensation, such as options, SARs, performance based awards, and EIP awards, and awards that do not so qualify, such as employment-based restricted stock and restricted stock units, performance-based awards that do not satisfy certain requirements, and awards of shares of Common Stock in lieu of cash.

In general, the value of any accelerated vesting or payment, or any payment or settlement of an award under the Plan that is considered to be contingent on a change of control might be subject to federal tax

rules that apply to parachute payments. If the present value of all compensation to a disqualified individual (any one of a limited class of shareholders, officers, and highly compensated employees) that is contingent on a change of control (as defined in the Code and Treasury regulations) equals or exceeds three times the individual s base amount (annualized compensation over a five-year period), the individual will be subject to a 20% excise tax on the excess of the compensation that is contingent on the change of control over the individual s base amount, and the employer will be denied a tax deduction for such excess. For purposes of the tax rule, payments outside of the Plan that are contingent on a change of control are added to the value of such compensation payable under the Plan. In any event, any amount that represents reasonable compensation for services actually rendered will not be treated as compensation that is contingent on a change of control.

New Plan Benefits

The selection of employees to receive awards under the Plan will be determined by the Committee in its discretion. Therefore, the actual awards or the value of benefits that will be received under the Plan by any individual or group is not determinable. On March 27, 2014, the closing price of the Common Stock on the New York Stock Exchange was $16.76 per share.

Vote Required

The affirmative vote of a majority of the shares of the Common Stock, present in person or by proxy and entitled to vote at the Annual Meeting, is required to approve the Plan.

The Board Of Directors recommends a vote for The Interpublic Group 2014 Performance Incentive Plan.

99

Table of Contents

Item 4. Proposal to Adopt The Interpublic Group 2014 Performance Incentive Plan *continued*

Equity Compensation Plan Information

The information required by this Item is incorporated by reference to the Outstanding Shares section of the Proxy Statement, except for information regarding the shares of common stock to be issued or which may be issued under our equity compensation plans as of December 31, 2013, which is provided in the following table.

Plan Category	Number of Shares of Common Stock to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) (1,2,3)	Weighted-Average Exercise Price of Outstanding Stock (b) ($)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c) (4)
Equity Compensation Plans Approved by Security Holders	13,578,820	10.24	55,812,881
Equity Compensation Plans Not Approved by Security Holders	None		

(1) Includes a total of 4,115,003 performance-based share awards made under the 2009 Performance Incentive Plan representing the target number of shares of Common Stock to be issued to employees following the completion of the 2011-2013 performance period (the 2013 LTIP Share Awards), the 2012-2014 performance period (the 2014 LTIP Share Awards) and the 2013-2015 performance period (the 2015 LTIP Share Awards), respectively. The computation of the weighted-average exercise price in column (b) of this table does not take the 2013 LTIP Share Awards, the 2014 LTIP Share Awards or the 2015 LTIP Share Awards into account.

(2) Includes a total of 79,351 restricted share units and performance-based awards (Share Unit Awards) which may be settled in shares of Common Stock or cash. The computation of the weighted-average exercise price in column (b) of this table does not take the Share Unit Awards into account. Each Share Unit Award actually settled in cash will increase the number of shares of Common Stock available for issuance shown in column (c).

(3) IPG has issued performance cash awards (Performance Cash Awards), half of which shall be settled in shares of Common Stock and half of which shall be settled in cash. Using the 2013 closing stock price of $17.70, the awards which shall be settled in shares of Common Stock represent rights to an additional 5,050,958 shares and, if earned, will be issued under The Interpublic Group 2014 Performance Incentive Plan. These shares are not included in the table above.

(4) Includes (i) 42,903,947 shares of Common Stock available for issuance under the 2009 Performance Incentive Plan, of which (A) 23,809,687 shares were available for the issuance of full-value share awards and (ii) 19,094,260 share were available for the issuance of stock options, (ii) 12,410,738 shares of Common Stock available for issuance under the Employee Stock Purchase Plan (2006) and (iii) 498,195 shares of Common Stock available for issuance under the 2009 Non-Management Directors Stock Incentive Plan.

100

Table of Contents

ITEM 5. PROPOSAL TO ADOPT THE INTERPUBLIC GROUP EXECUTIVE PERFORMANCE (162(m)) PLAN

EXECUTIVE PERFORMANCE PLAN

Interpublic is submitting The Interpublic Group Executive Performance (162(m)) Plan (the EPP) for the approval of our shareholders. The Board of Directors unanimously adopted the EPP on March 27, 2014, subject to approval by our shareholders.

Under Section 162(m) of the Code (Section 162(m)), generally, in order for compensation in excess of $1,000,000 paid in any taxable year to our chief executive officer or any of our three most highly compensated executive officers (other than our chief executive officer and chief financial officer) (the covered executives) to be deductible by Interpublic, such compensation must qualify as qualified performance-based compensation. The Board of Directors has adopted the EPP, subject to stockholder approval, in order to ensure that incentive compensation awards payable to our covered executives will be eligible to satisfy the qualified performance-based compensation exception of Section 162(m). The EPP is designed to maximize the deduction available to Interpublic for incentive compensation to be paid in the future to covered executives under Interpublic s incentive compensation plans and programs, as described in the Compensation Discussion and Analysis set forth on pages 26 to 56 of this Proxy Statement and as may be adopted in the future. Adoption of the EPP does not alter the Compensation Committee s discretion with respect to annual or long-term bonuses for covered executives (or any other employee). Accordingly, the Compensation Committee may reduce each covered executive s actual bonus to an amount below the maximum bonus allowable pursuant to the EPP.

Approval of the EPP requires approval by a majority of the shares of Interpublic Common Stock present and entitled to vote at the meeting.

The Board of Directors recommends a vote ***FOR*** the proposal to adopt the EPP.

Summary

The following is a summary of the material features of

EPP. It is not intended to be a complete description and is qualified in its entirety by reference to the copy of the EPP included in Appendix B to this Proxy Statement.

Administration

The EPP will be administered by the Compensation Committee, which may take action by a majority vote of its members. The Compensation Committee has the exclusive power to select EPP participants, to determine amounts available for awards, to interpret the EPP, to make any determinations necessary or advisable for the administration of the EPP and to establish guidelines under which awards payable to each participant will be determined. Any interpretation, determination or decision made by the Compensation Committee and all actions taken within the scope of its authority under the EPP will be final, binding and conclusive. The Compensation Committee may delegate to any person who is not a member of the Compensation Committee any of its administrative responsibilities to the extent consistent with the requirements of Section 162(m).

Participants

The EPP will operate in successive one-year performance periods and successive three-year performance periods, each commencing on January 1, 2015. While each of our employees is eligible to participate in the EPP, the specific employees that participate in respect of a performance period will be selected by the Compensation Committee within 90 days of the start of such performance period. While no person is automatically entitled to participate in the EPP in a respect of any performance period, Interpublic anticipates that only our executive officers or those employees who are anticipated to become one of our executive officers during the applicable performance period will participate in the EPP with respect to the applicable performance period. It is currently anticipated that approximately 7 members of senior management will be participants in the EPP.

101

Item 5. Proposal To Adopt The Interpublic Group Executive Performance (162(m)) Plan *continued*

Awards

Bonus Pool With respect to each performance period, a bonus pool will be established equal to 8% of Interpublic s consolidated net operating income before income tax expenses, extraordinary items related to acquisitions, restructurings and related changes (net of taxes), and other extraordinary items and any other unusual or non-recurring items of loss or expense (net of taxes), in each case, during the applicable performance period (the Performance Achievement), as reflected in Interpublic s consolidated audited financial statements for the applicable plan year or years in the performance period. To the extent consistent with Section 162(m), the Compensation Committee may adjust the Performance Achievement in an objectively determinable manner and in accordance with U.S. Generally Accepted Accounting Principles, include or exclude unrealized investment gains and losses, extraordinary, unusual or non-recurring items, asset write-downs, the effects of accounting, tax or legal changes, currency fluctuations, mergers and acquisitions, reserve-strengthening and other non-operating items in the calculation of the Performance Achievement in respect of any performance period.

Award Amounts Each participant will be allocated a percentage of the applicable bonus pool established for the performance period. The maximum amount payable under the EPP to a participant for any performance period will not exceed 30% of the Performance Achievement for the performance period. At any time following the allocation of a percentage of the applicable bonus pool and prior to the payment of the award pursuant to the EPP, the Compensation Committee has the sole and absolute discretion to reduce the actual amount payable to a participant (including to zero).

Form and Timing of Payment Following the completion of a performance period, the Compensation Committee will determine and certify the funding level of the bonus pool and will then determine the actual payment, if any, under each award.

Awards will be payable, at the sole discretion of the Compensation Committee, in the form of cash or any

equity-based award made under the Performance Incentive Plan (or any successor or similar plan in effect) and may be subject to additional restrictions as the Compensation Committee, in its sole discretion may impose (including any vesting conditions). No payment will be made under an award unless the participant remains employed by Interpublic through the applicable payment date, except as otherwise provided by the Compensation Committee. The Compensation Committee will determine the timing of payments pursuant to the EPP and has the right to permit a participant to defer receipt of any award, subject to such terms and conditions as the Compensation Committee may impose.

Sub-Plans

From time to time, the Compensation Committee may designate other Interpublic compensation plans (inluding the 2009 PIP or, if approved, the 2014 Performance Incentive Plan) that will operate as sub-plans under the EPP. Each award to any participant will be subject to the terms and conditions (including vesting requirements) of all applicable sub-plans. In no event will the amount payable to a participant in respect of any performance period pursuant to the terms of any sub-plan exceed the amount that such participant is entitled to receive pursuant to the EPP in respect of such performance period.

Termination and Amendment of the EPP

The EPP may be suspended, terminated or amended by the Board of Directors in its sole discretion at any time for any reason. No amendment that would require shareholder approval in order for the awards paid under the EPP to continue to be deductible under Section 162(m) may be made without shareholder approval. The EPP will remain in effect until it is terminated by the Board of Directors.

Clawback

All awards granted under the EPP will be subject to any incentive compensation, clawback, or recoupment

102

Table of Contents

Item 5. Proposal To Adopt The Interpublic Group Executive Performance (162(m)) Plan *continued*

policy currently in effect or as may be adopted by the Board (or a committee or subcommittee of the Board), in each case as may be amended from time to time.

New Plan Benefits

Since the EPP would be effective on January 1, 2015, and because the Compensation Committee has discretion in establishing the terms of awards under EPP, the amounts payable under the EPP are not determinable. No amounts will be paid under the EPP unless and until the EPP is approved by our shareholders.

Indemnification

Except in the case of bad faith, fraud or willful misconduct, each member of the Board and the Compensation Committee will be indemnified and held harmless by Interpublic against any loss, cost, liability or expense that is imposed or incurred by such member in connection with or resulting from any action, suit or proceeding in which such member is involved by reason of any action or omission of such member in good faith pursuant to the EPP or a participant s participation therein.

Governing Law

The EPP will be governed by the laws of the State of New York to the extent not superseded by Federal law.

The Board Of Directors recommends a vote for The Interpublic Group Of Companies, Inc. Executive Performance (162(m)) Plan.

Table of Contents

Item 5. Proposal To Adopt The Interpublic Group Executive Performance (162(m)) Plan *continued*

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Table of Contents

Outstanding Shares and Ownership of Common Stock

Outstanding Shares

The outstanding capital stock of Interpublic at the close of business on March 27, 2014, the record date for the Annual Meeting consisted of 424,962,468 shares of Common Stock. Only the holders of Common Stock are entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote on each matter that is submitted to a vote of shareholders at the meeting.

Share Ownership Of Certain Beneficial Owners

The following table sets forth information concerning direct and indirect beneficial ownership of Common Stock as of December 31, 2013 by persons known to Interpublic to have beneficial ownership of more than 5% of the Common Stock:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Stock(#)(1)	Percent of Class
Wellington Management Company, LLP(2) 280 Congress Street Boston, MA 02210	36,044,374	8.66%
The Vanguard Group, Inc(3) 100 Vanguard Blvd. Malvern, PA 19355	27,380,830	6.31%
BlackRock, Inc.(4) 40 East 52nd Street New York, NY 10022	22,754,312	5.2%

(1) The rules of the SEC deem a person to be the beneficial owner of a security (for purposes of proxy statement disclosure) if that person has or shares either or both voting or dispositive power with respect to such security. Additionally, a security is deemed to be beneficially owned by a person who has the right to acquire beneficial ownership of the security within 60 days, for example through the conversion of notes or preferred stock.

(2) This disclosure is based on a Schedule 13G filed by Wellington Management Company, LLP with the SEC on February 14, 2014, in which it reported that it is an investment advisors that has shared voting power with respect to 28,619,637 shares of Common Stock and shared dispositive power with respect to 36,044,374 shares of Common Stock.

(3) This disclosure is based on a Schedule 13G filed by The Vanguard Group, Inc. (Vanguard) with the SEC on February 6, 2014, in which Vanguard reported that it is an investment manager that has sole voting power with respect to 691,929 shares of Common Stock, sole dispositive power with respect to 26,746,245 shares of Common Stock and shared dispositive power with respect to 634,585.

(4) This disclosure is based on a Schedule 13G filed by BlackRock, Inc. with the SEC on January 17, 2014, in which it reported that it is a holding company of a group of investment management companies that in the aggregate have sole voting power with respect to 18,917,706 shares of Common Stock and sole dispositive power with respect to 22,754,312 shares of Common Stock.

105

Table of Contents

Outstanding Shares and Ownership of Common Stock *continued*

Share Ownership of Management

The following table sets forth information concerning the direct and indirect beneficial ownership of the Common Stock as of March 27, 2014 by each director, each nominee for election as a director, each executive officer named in the Summary Compensation Table below, and all directors and executive officers of Interpublic as a group:

Name of Beneficial Owner	Common Stock Ownership(#)(1)	Options Excerciseable Within 60 Days(#)	Total* (#)
Andrew Bonzani	18,445	0	18,445
Christopher Carroll	41,826	190,306	232,132
Jocelyn Carter-Miller	42,786	0	42,786
Jill M. Considine	88,654	0	88,654
Richard A. Goldstein(2)	98,885	0	98,885
H. John Greeniaus	233,121	0	233,121
Mary J. Steele Guilfoile	63,985	0	63,985
Dawn Hudson	19,974	0	19,974
William T. Kerr	105,234	0	105,234
Philippe Krakowsky	145,925	201,286	347,211
Frank Mergenthaler	350,465	504,484	854,949
Michael I. Roth	1,001,131	4,154,334	5,155,465
David M. Thomas	77,354	0	77,354
All directors and executive officers as a group (14 persons)	2,307,308	5,050,410	7,357,718

106

Table of Contents

Outstanding Shares and Ownership of Common Stock *continued*

* No individual identified in the table had beneficial ownership of more than 1% of the outstanding shares of Common Stock. Interpublic s directors and executive officers as a group had beneficial ownership of 1.7% of the outstanding shares of Common Stock. For the purpose of computing the percentage for each individual and directors and executive officers as a group, in accordance with SEC rules, the shares of Common Stock owned by that person or the group that are issuable upon the exercise of stock options the n exercisable or that will become exercisable within 60 days are treated as outstanding shares.

(1) The rules of the SEC deem a person to be the beneficial owner of a security (for purposes of proxy statement disclosure) if that person has or shares either or both voting or dispositive power with respect to such security. Additionally, a security is deemed to be beneficially owned by a person who has the right to acquire beneficial ownership thereof within 60 days, for example through the exercise of a stock option. Common Stock ownership set forth in this table includes unvested shares of restricted stock awarded under the 2009 Performance Incentive Plan and the Interpublic Non-Management Directors Stock Incentive Plan due to the right of the persons identified to exercise voting power with respect to the shares. Except as otherwise indicated, each person has sole voting and sole dispositive power over the shares indicated as beneficially owned.

(2) Includes for Mr. Goldstein 10,200 shares owned by his spouse in a trust.

No executive officer or director of Interpublic has pledged any shares of Common Stock as security.

107

Table of Contents

Outstanding Shares and Ownership of Common Stock *continued*

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Interpublic s directors and executive officers and persons who beneficially own more than 10 percent of any class of its equity securities to file with the SEC an initial report of beneficial ownership and subsequent reports of changes in beneficial ownership of Interpublic s equity securities.

Based solely on our review of the copies of such reports furnished to us by the Company s directors and executive officer for the year ended December 31, 2013, and on the written representations made by such persons that no other reports were required, we believe that each of Interpublic s directors and executive officers

timely filed all required reports, except as follows:

On November 22, 2013, Julie M. Connors sold 7,425 shares of Common Stock. Her Form 4 was filed with the SEC one business day after the date the filing was due.

Interpublic is not aware of any person or entity that is the beneficial owner of more than 10% of any class of its equity securities.

INFORMATION FOR SHAREHOLDERS THAT HOLD INTERPUBLIC COMMON STOCK THROUGH A BANK OR BROKER

Under SEC rules, brokers and banks that hold stock for the account of their customers are permitted to elect to deliver a single Annual Report and Proxy Statement (as well as other shareholder communications from the issuer) to two or more shareholders that share the same address. If you and other residents at your mailing address own shares of Common Stock through a broker or bank, you may have received a notice notifying you that your household will be sent only one copy of Interpublic s proxy materials. If you did not notify your broker or bank of your objection, you may have been deemed to have consented to the arrangement. If you determine that you would prefer in the future to receive a separate copy of Interpublic s Annual Reports and Proxy Statements, you may revoke your consent at any time by notifying Interpublic by letter addressed to The Interpublic Group of Companies, Inc., 1114 Avenue of the Americas, New York, NY 10036, Attention: Secretary or by calling Corporate Communications at (212) 704 1200. Your notification should include the name of your

brokerage firm or bank and your account number.

If your household received only a single copy of the 2013 Annual Report or this Proxy Statement and you would like to receive a separate copy, please contact Interpublic at the above address or telephone number. If you hold your shares of Common Stock through a broker or bank and are receiving multiple copies of our Annual Reports and Proxy Statements at your address and would like to receive only one copy for your household, please contact your broker or bank.

Table of Contents

Outstanding Shares and Ownership of Common Stock *continued*

INFORMATION FOR PARTICIPANTS IN THE INTERPUBLIC GROUP OF COMPANIES, INC. SAVINGS PLAN

Participants in The Interpublic Group of Companies, Inc., Savings Plan (the Plan) may vote the number of shares of Common Stock equivalent to the interest in Common Stock credited to their accounts under the Plan as of the record date. Participants may vote by instructions given to JPMorgan Chase Bank, N.A. (JPMorgan), the trustee of the Plan, pursuant to the proxy card being mailed with this Proxy Statement to Plan participants. JPMorgan will vote shares in accordance with duly executed instructions if received

on or before May 21, 2014. If JPMorgan does not receive timely instructions, the shares of Common Stock equivalent to the interest in Interpublic s Common Stock credited to that participant s account, will not be voted by JPMorgan. JPMorgan will vote any shares of Common Stock held by the Plan that are not specifically allocated to any individual Plan participant (known as the suspense account) in the same proportion that JPMorgan votes the Common Stock for which it receives timely instructions.

The Board of Directors is not aware of any other matters which may be brought before the meeting. If other matters not now known come before the meeting, the persons named in the accompanying form of proxy or their substitutes will vote such proxy in accordance with their best judgment.

By Order of the Board of Directors,

Andrew Bonzani
Senior Vice President, General Counsel and Secretary

April 11, 2014

Table of Contents

APPENDIX A. THE INTERPUBLIC GROUP 2014 PERFORMANCE INCENTIVE PLAN

Section 1. Purpose

The purposes of the Plan are to promote the interests of the Company and its shareholders by enabling the Company to:

(a) attract, retain, and motivate talented individuals as Eligible Employees;

(b) provide Eligible Employees with cash and equity-based incentives tied to the achievement of business, financial, and strategic objectives of the Company and its Subsidiaries and Affiliates; and

(c) provide Eligible Employees with incentives and opportunities tied to the Company s Common Stock.

Section 2. Definitions.

Unless the context clearly indicates otherwise, the following terms, when used in the Plan in capitalized form, shall have the meanings set forth below:

Affiliate means any corporation or other entity (other than the Company or one of its Subsidiaries) in which the Company has a controlling interest, as defined in Treas. Reg. §§ 1.409A-1(b)(5)(iii)(E)(1) and 1.414(c)-2(b)(i), provided that the language at least 40 percent is used instead of at least 80 percent each place it appears in Treas. Reg. § 1.414(c)-2(b)(2)(i).

Award means any grant or award under the Plan, as evidenced in an Award Agreement.

Award Agreement means (a) for an Award other than an EIP Award, a written agreement (which may be electronic), including any amendment thereto, that sets forth the terms of the Award and is delivered to the Participant as provided in Section 12(a) hereof, or (b) for an EIP Award, the document (written or electronic) evidencing the Award.

Board means the Board of Directors of the Company.

Cause means, with respect to any Participant: (a) a material breach by the Participant of a provision in an employment agreement with Interpublic, a Subsidiary, or an Affiliate 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; (b) misappropriation by the Participant of funds or property of the Company, a Subsidiary, or an Affiliate; (c) any attempt by the Participant to secure any personal profit related to the business of the Company, a Subsidiary, or an Affiliate that is not approved in writing by the Board or by the person to whom the Participant reports directly; (d) fraud, material dishonesty, gross negligence, gross malfeasance, or insubordination by the Participant, or willful (1) failure by the Participant to follow the code of conduct of the Company, a Subsidiary, or an Affiliate or (2) misconduct by the Participant in the performance of his duties as an employee of the Company, a Subsidiary, or an Affiliate, 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 the Company, a Subsidiary or an Affiliate; (e) refusal or failure by the Participant 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 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; (f) 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 (g) conduct by the Participant that is clearly prohibited by the policy of the Company, a Subsidiary, or an Affiliate prohibiting discrimination or harassment based on age, gender, race, religion, disability, national origin or any other protected category.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

Change of Control means:

(a) Subject to items (b) and (c) of this definition below, the first to occur of the following events:
(1) Any person (within the meaning of Sections 13(d) and 14(d) of the Exchange Act becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of stock that, together with other stock held by such person, possesses more than 50 percent of the combined voting power of the Company s then-outstanding stock;

(2) Any person (within the meaning of Sections 13(d) and 14(d) of the Exchange 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 the Company possessing 30 percent or more of the combined voting power of the Company s then-outstanding stock;

(3) Any person (within the meaning of Sections 13(d) and 14(d) of the Exchange Act) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person) assets from the Company 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 the Company immediately prior to such acquisition or acquisitions (where gross fair market value is determined without regard to any associated liabilities); or

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

(b) A Change of Control shall not be deemed to occur by reason of:
(1) The acquisition of additional control of the Company by any person or persons acting as a group that is considered to effectively control the Company (within the meaning of guidance issued under Section 409A of the Code); or

(2) A transfer of assets to any entity controlled by the shareholders of the Company immediately after such transfer, including a transfer to (A) a shareholder of the Company (immediately before such transfer) in exchange for or with respect to its stock, (B) 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 the Company, (C) 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 the Company, or (D) 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 (C), above.

(c) Notwithstanding any other provision of this definition, 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 the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A(a)(2)(A)(v) of the Code.

Code means the Internal Revenue Code of 1986, as amended.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

Committee means the committee established by the Board pursuant to Section 3 hereof.

Common Stock means the Company s $0.10 par value common stock.

Company means The Interpublic Group of Companies, Inc.

Corporate Transaction means any stock split, stock dividend, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below fair market value, or other similar event.

Disability means long-term disability as defined under the terms of the Company s applicable long-term disability plans or policies.

Dividend Equivalent means an Award of a contractual right to receive payments equivalent to the amount of dividends paid with respect to Shares, as described in Section 10(a) hereof.

Eligible Employee means any employee of the Company, a Subsidiary, or an Affiliate who is determined by the Committee to be responsible for, or able to contribute to, the growth, profitability, and success of the Company. This term does not include directors who are not employees of such entities.

Employer means, with respect to a Participant as of any date, the Company, Subsidiary, or Affiliate that employs the Participant as of such date.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Executive Incentive Performance Award or EIP Award means the target bonus established by the Committee for a Participant, which may be communicated to the Participant in the form of a letter, granted under Section 9 hereof and payable in cash, Shares, or a combination, in accordance with the terms of the Award.

Executive Officer means a person who is an officer of the Company within the meaning of Rule 16a-l(f) of the Exchange Act.

Fair Market Value means, with respect to a Share as of any determination date, except as otherwise provided in the Award Agreement, the average of the high and low selling prices of such Share on such determination date, as reported on the composite tape for securities listed on the New York Stock Exchange or such other national securities exchange as may be designated by the Committee. If there were no sales of Shares on the determination date, the selling prices used shall be the high and low selling prices on the last preceding date on which a sale occurred.

Full Value Award means an Award, other than an Option, SAR or Dividend Equivalent, that is settled by the issuance of Shares.

Incentive Stock Option or ISO means an Option intended to meet the requirements of Section 422 of the Code.

Nonstatutory Stock Option means an Option that is not intended to be an Incentive Stock Option.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

Option means the right to purchase the number of Shares specified by the Committee, at a specified price and during a specified term in accordance with the Plan and subject to any other limitations and restrictions (required by law or otherwise) as the Plan or the Committee shall impose.

Other Stock-Based Awards means an equity-based or equity-related Award granted under Section 7 hereof that is not otherwise described by the terms of the Plan.

Participant means an Eligible Employee selected to receive an Award under the Plan.

Performance Cash means an Award of a contractual right granted under Section 8 hereof to receive a dollar amount (to be settled in cash, Shares, or a combination, as determined by the Committee) that becomes vested upon the attainment, in whole or in part, of Performance Objectives specified by the Committee.

Performance Criteria means earnings per share (basic or diluted); adjusted net income; operating income; operating profit after tax; operating income growth; net operating profit; gross or operating margins; operating efficiency; revenue; revenue growth; organic revenue growth; return on equity; Share price (including growth measures and total shareholder return); cash flow (including operating cash flow, free cash flow, cash flow return on equity, and cash flow return on investment); earnings before interest, taxes, depreciation, and/or amortization; net earnings or net income (before or after taxes); net sales or revenue growth; return measures (including return on assets, capital, invested capital, equity, sales, or revenue); productivity ratios; expense targets; market share; customer satisfaction; working capital targets; economic value added or EVA® (net operating profit after tax minus the sum of capital multiplied by the cost of capital); or any other criteria selected by the Committee; provided that any such other criteria shall not apply to an Award to a covered employee (within the meaning of Section 162(m)(3) of the Code), to the extent that the Award is intended to satisfy the requirements for performance-based compensation under Section 162(m)(4)(C) of the Code). Performance Criteria may relate to the performance of (a) the Company, (b) a Subsidiary, (c) an Affiliate, (d) a division or unit of the Company, any Subsidiary, or any Affiliate, (e) an office, group of agencies, or all or part of any agency system, (f) the Participant, or (g) any combination of the foregoing, as measured either in absolute terms or in comparison with the performance of other companies.

Performance Objectives mean, for any Award that is contingent in whole or in part on achievement of performance objectives, the objectives or other performance levels with respect to specified Performance Criteria that are measured over a Plan Year or other specified period for the purpose of determining the amount of the Award and/or whether the Award is granted or vested. For an Award to a covered employee (within the meaning of Section 162(m)(3) of the Code) that is intended to qualify as performance-based compensation under Section 162(m)(4)(C) of the Code, the applicable Performance Objectives shall be set forth in writing no later than 90 days after commencement of the period of service (within the meaning of Treas. Reg. § 1.162-27(e)(2)(i)) to which the Performance Objectives relate (or, if sooner, before 25 percent of such period of service has elapsed), at a time when achievement of the Performance Objectives is substantially uncertain.

Performance Period means the period over which achievement of Performance Objectives set forth in an Award is measured. The Performance Period that applies to an Award made to a Participant may overlap or coincide with the Performance Period that applies to another Award made to that Participant. Except with respect to an EIP Award, the duration of a Performance Period shall not be less than one year. If the amount payable under a multi-year Award is determined based on performance in more than one period of service (e.g., the Performance Objectives for

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

an Award covering three years are based on annual performance in each of the three years, rather than cumulative performance over the three-year period), the Performance Period for such Award shall be the period that begins on the first day of the first applicable period of service and ends on the last day of the last applicable period of service. Performance Shares or Performance Units means an Award of a contractual right granted under Section 7 hereof to receive cash, Shares, or a combination, that becomes vested upon the attainment, in whole or in part, of Performance Objectives specified by the Committee.

Plan means The Interpublic Group 2014 Performance Incentive Plan, as set forth herein and amended from time to time.

Plan Year means the calendar year.

Prior Plan means The Interpublic Group of Companies, Inc. 2009 Performance Incentive Plan or any predecessor thereto.

Prohibited Activity means: (i) any activity that would enable the Company to terminate the Participant s employment for cause (as defined in the Plan or any employment agreement or other plan or arrangement that covers the Participant); (ii) a material violation of any rule, policy or procedure of the Company or the Participant s Employer, including the Code of Conduct of the Company or other applicable Employer; (iii) before a Change of Control, a failure to be in compliance with any share ownership objectives of the Company applicable to the Participant, or (iv) before a Change of Control, any other conduct or act that the Company determines is injurious, detrimental or prejudicial to any interest of the Company.

Restricted Period means a period during which an Award of Restricted Stock or Restricted Stock Units is subject to forfeiture. The Restricted Period that applies to an Award made to a Participant may overlap or coincide with the Restricted Period that applies to another Award made to that Participant. The duration of a Restricted Period shall not be less than one year; provided that, a Restricted Period may terminate before the expiration of one year to the extent permitted by Section 11(a) or 12(e) hereof.

Restricted Stock means an Award of Common Stock granted under Section 6 hereof that becomes vested and nonforfeitable, in whole or in part, upon the attainment, in whole or in part, of specified conditions, which may include Performance Objectives.

Restricted Stock Unit means an Award of a contractual right granted under Section 6 hereof corresponding to a number of Shares (to be settled in cash, Shares, or a combination, as determined by the Committee) that becomes vested and nonforfeitable, in whole or in part, upon the attainment, in whole or in part, of specified conditions, which may include Performance Objectives. Except as otherwise provided in the Award Agreement, if a Restricted Stock Unit is settled in cash, the amount of cash shall equal the Fair Market Value of the underlying Shares on the Vesting Date.

Retirement means, except as otherwise set forth in the Award Agreement, a Participant s Termination of Employment for a reason other than Cause (as determined by the Company) if, at the time of such Termination of Employment the Participant is eligible for retirement as approved by the Company.

Shares means shares of Common Stock.

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

Stock Appreciation Right or SAR means the right, denominated in Shares, to receive, upon surrender of the right, in whole or in part, an amount (payable in cash, Shares, or a combination, as determined by the Committee) for each Share that does not exceed the excess of the Fair Market Value of the Share on the date of exercise over the Fair Market Value of the Share on the date of grant, subject to any other limitations and restrictions (required by law or otherwise) as the Plan and the Committee shall impose.

Subsidiary means a subsidiary of the Company that meets the definition of a subsidiary corporation in Section 424(f) of the Code.

Termination of Employment means, for any Participant, except as otherwise provided in the Plan or the Award Agreement, 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 all of its Subsidiaries and Affiliates. For purposes of the Plan: (a) 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; and (b) a sale of assets by the Company, a Subsidiary, or an Affiliate 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 the Company or the Participant s Employer, with the buyer s written consent, so provides in writing 60 or fewer days before the closing of such sale.

Vesting Date means, for an Award, the scheduled date of vesting, as specified in the Award Agreement.

Section 3. Administration.

(a) ***The Committee***. The Plan shall be administered by a committee (the Committee) of outside directors (within the meaning of Treas. Reg. § 1.162-27(e)(3)) that satisfies the requirements of Rule 16b 3 under the Exchange Act. Members of the Committee shall be appointed by and shall serve at the pleasure of the Board. No member of the Committee shall be eligible to receive an Award under the Plan.

(b) ***Committee Powers***. The Committee shall have and may exercise all of the powers granted to it by the provisions of the Plan. Subject to the express provisions and limitations of the Plan, the Committee may adopt such rules, regulations, and procedures as it deems advisable for the conduct of its affairs, and may appoint one of its members to be its chairman and any person, whether or not a member, to be its secretary or agent. The Committee shall have full authority to direct the proper officers of the Company to issue or transfer Shares pursuant to the issuance or exercise of an Award under the Plan.

(c) ***Committee Action***. The Committee may act at a duly called meeting by the vote of a majority of its members or without a meeting by unanimous written consent. The decisions of the Committee shall be final and binding unless otherwise determined by the Board. Each member of the Committee and each member of the Board shall be without liability, to the fullest extent permitted by law, for any action taken or determination made in good faith in connection with the Plan.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

(d) ***Awards***. Subject to the provisions of the Plan, the Committee is authorized to grant the following Awards:

(1) Options and SARs,

(2) Restricted Stock,

(3) Restricted Stock Units,

(4) Performance Shares,

(5) Performance Units,

(6) Other Stock-Based Awards,

(7) Performance Cash,

(8) Executive Incentive Performance Awards,

(9) Dividend Equivalents, and

(10) Shares in Lieu of Cash.

(e) ***Participants***. Subject to the provisions of the Plan, the Committee is authorized to designate the Eligible Employees who shall receive Awards and to determine the nature and size of the Award that an Eligible Employee shall receive.

(f) ***Correction of Defects, Omissions, and Inconsistencies***. The Committee may correct any defect, remedy any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it deems desirable to carry out the intent of the Plan and such Award.

(g) ***Delegation***. If the Committee deems it advisable, the Committee may delegate its authority under this Section 3 or any other provision of the Plan to one or more of its members or to one or more persons other than its members to the extent permitted by applicable law, except that no such delegation shall be permitted with respect to the participation in the Plan of persons who are subject to Section 16 of the Exchange Act. Any person to whom the Committee delegates its authority under this Section 3 may receive Awards only if the Awards are granted directly by the Committee without delegation. To the extent that the Committee has delegated authority pursuant to this Section 3(g), references in the Plan to the Committee shall be deemed to include the Committee s designee.

Section 4. Shares Available for Awards.

(a) ***Total Shares Available***. Subject to the provisions of subsections (b) through (f) of this Section 4, the total number of Shares available for grant to Participants under the Plan on or after the Effective Date shall be:

(1) Twenty-eight million seven hundred fifty thousand (28,750,000) Shares, plus

(2) the following Shares previously subject to Awards granted under a Prior Plan but not issued: (A) Shares that, as of the Effective Date, are subject to outstanding Awards, to the extent such Shares are forfeited or otherwise not issued due to termination of employment, (B) expiration of an Option or SAR; (C) Shares that, as of the Effective Date, are subject to outstanding Full Value Awards that were accounted for in Shares but are settled in cash; and (D) Shares that, as of the Effective Date, are subject to outstanding performance share awards, to the extent that the target number of Shares under the award exceeds the number of shares actually issued pursuant to the award.

Such authorized Shares may be granted pursuant to new Awards and in settlement (after the Effective Date) of Full

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

Value Awards that were granted before the Effective Date under a Prior Plan. Each Share underlying an Option, SAR, Restricted Stock, Performance Share, RSU or similar Award shall count as one share of Common Stock. No further Awards shall be granted pursuant to any Prior Plan.

(b) ***Aggregate Limitation on ISOs***. Subject to the adjustment provisions in Section 4(e) hereof ISOs may be granted with respect to no more than 200,000 Shares in any Plan Year and no more than 2,000,000 Shares in the aggregate.

(c) ***Individual Limitation of Awards***. Subject to the adjustment provisions in Section 4(e) hereof, the following limitations shall apply to Awards under the Plan:

(1) No individual Participant shall be granted, in any Plan Year, Options and/or SARs with respect to more than 2,000,000 Shares in the aggregate;

(2) No individual Participant shall be granted, in any Plan Year, performance-based grants of Restricted Stock and/or Restricted Stock Units with respect to more than 1,000,000 Shares in the aggregate;

(3) No individual Participant shall be granted, in any Plan Year, Performance Shares, Performance Units, or Other Stock Based Awards that provide for more than 2,000,000 Shares in the aggregate; and

(4) No individual Participant shall be granted, in any Plan Year, Performance Cash in an amount of more than $10,000,000.

For purposes of the individual limits set forth in this Section 4(c), any Awards that are canceled shall continue to count against the individual share and cash limits.

(d) ***Shares Available for Issuance***.

(1) The number of Shares covered by an Award shall count against the limitations prescribed by subsections (a) and (b), above, on the number of Shares available for award under the Plan only to the extent that such Shares are actually issued.

(2) If (A) any Award that was granted on or after the Effective Date is forfeited or otherwise terminates or is canceled without the delivery of Shares, or (B) on or after the Effective Date, Shares are surrendered or withheld from any Share-settled Award granted under the Plan or a Prior Plan to satisfy withholding of taxes, then the Shares covered by such forfeited, terminated or canceled Award, and Shares equal to the number of Shares surrendered, withheld or tendered, shall again become available to be delivered pursuant to Awards granted under this Plan.

(3) With respect to each Option and SAR, the number of Shares counted against the number of Shares available for award under the Plan shall equal the number of Shares actually issued upon exercise, after subtracting Shares tendered or withheld to pay the exercise price and to satisfy withholding obligations.

(4) The Shares issued under the Plan may be authorized and unissued Shares or treasury Shares.

(e) ***Adjustment for Corporate Transactions***. In the event of a Corporate Transaction, the Committee shall (in order

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

to preserve, or to prevent enlargement of, the benefits or potential benefits available under the Plan), in such manner as the Committee deems equitable, adjust

(1) the number and kind of shares that thereafter may be made the subject of Awards,

(2) the number and kinds of shares that are subject to outstanding Awards, and

(3) the grant, exercise, or conversion price with respect to any of the foregoing.

Any shares received as a result of a Corporate Transaction affecting Restricted Stock shall have the same status, be subject to the same restrictions, and bear the same legend as the Restricted Stock with respect to which the shares were issued. Additionally, the Committee may make provisions for a cash payment to a Participant or other person holding an outstanding Award. However, the number of Shares subject to any Award shall always be a whole number.

(f) ***Acquisitions***. Unless required by law or regulation, no Shares underlying any Award granted in assumption of, or in substitution for, an outstanding award previously granted by a company acquired by the Company, a Subsidiary, or an Affiliate or with which the Company, a Subsidiary, or an Affiliate combines, shall count against the Shares available for Awards under the Plan.

Section 5. Stock Options and SARs.

(a) ***Grant***. The Committee is authorized to grant Incentive Stock Options, Nonstatutory Stock Options, and SARs; provided that Incentive Stock Options may not be granted to any Eligible Employee who is not an employee of the Company or one of its Subsidiaries at the time of grant. The Committee shall not grant reload Options (i.e., Options that are automatically granted to an optionee when the optionee uses Shares to pay the exercise price, or to satisfy withholding tax obligations associated with the exercise, of previously granted Options) or any Option or SAR that is not structured to be exempt from the requirements of Section 409A of the Code.

(b) ***Exercise Price and Grant Price***. The Committee shall establish the exercise price for each Option and the grant price for each SAR at the time the Option or SAR is granted. Neither the exercise price nor the grant price shall be less than 100% of the Fair Market Value of the Shares subject to the Option or SAR on the date of grant. Except as required by Section 4(e) hereof, the Committee may not (1) reprice Options or SARs or (2) exchange Options or SARs for cash, stock or other consideration without the approval of the Company s shareholders.

(c) ***Exercise***. Each Option and SAR shall be exercised at such times and subject to such terms and conditions as the Committee may specify in the Award Agreement or thereafter; provided that unless the Option or SAR becomes vested earlier pursuant to Section 11 or 12(e) hereof, an Option or SAR may not be exercised in whole or in part before the first anniversary of the date on which the Option or SAR was granted. The Committee may impose such conditions on the exercise of Options and SARs as it determines to be appropriate, including conditions relating to the application of federal or state securities laws. No Shares shall be delivered pursuant to any exercise of an Option unless arrangements satisfactory to the Committee have been made to assure full payment of the exercise price therefor. Without limiting the generality of the foregoing, payment of the exercise price of an Option may be made (i) in cash, (ii) if and to the extent permitted by the Committee, by withholding Shares (net exercise) or exchanging Shares owned without restriction, or the ownership of which is attested to, by the optionee, or (iii) by a combination of the foregoing. The combined value of all cash and the fair market value of any Shares tendered to the Company, valued as of the date of such tender, shall be equal to (or greater than) the aggregate exercise price. The Committee may not authorize a loan to an optionee to assist the optionee in making payment of the exercise price under an Option or in meeting the

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

optionee s tax obligations associated with the exercise of an Option.

(d) ***Term***. An Option or SAR shall be exercisable for a term determined by the Committee, which shall not be longer than ten years from the date on which the Option or SAR is granted.

(e) ***Termination of Employment other than for Cause***. An Option or SAR shall be exercisable following a Participant s Termination of Employment only to the extent the Award is vested and not expired (in each case, taking into account the provisions of this Section 5(e) and Sections 11 and 12(e) hereof). Except as otherwise set forth in the Award Agreement, and subject to Sections 11 and 12(e), and the requirements of any Incentive Stock Option:

(1) If (A) as of the Participant s Termination of Employment, he is age 55 or older and has completed 10 or more years of service with the Company and its Subsidiaries and Affiliates, and (B) the Participant s Termination of Employment is not due to Cause or the Participant s death or Disability, the Participant (or, after the Participant s death, his beneficiary or personal representative) may exercise any Option or SAR held by the Participant at the time of his Termination of Employment, to the extent such Option or SAR is vested, for a period that ends no later than three years after his Termination of Employment, but not after the date the Option or SAR otherwise expires.

(2) If the Participant s Termination of Employment is due to the Participant s death, any Option or SAR held by the Participant at the time of his death shall become vested and the Participant s beneficiary or personal representative may exercise such Option(s) and SAR(s) for a period of up to one year after his death, but not after the date the Option or SAR otherwise expires.

(3) If the Participant s Termination of Employment is due to the Participant s Disability and the Participant s Termination of Employment occurs 12 or more months after the date on which an Option or SAR was granted, the Award shall be vested on a pro-rata basis, whereby the vested fraction equals the number of completed months from the date of grant to the Participant s Termination of Employment divided by the number of months from the date of grant to the Vesting Date. The Participant (or, after his death, his beneficiary or personal representative) may exercise the vested portion of each such Option or SAR for a period of up to one year after his Termination of Employment, but not after the date the Option or SAR otherwise expires.

(4) If the Participant s Termination of Employment is not due to Cause and not described in paragraph (1), (2) or (3), above, the Participant (or, after his death, his beneficiary or personal representative) may exercise any Option or SAR held by the Participant at the time of his Termination of Employment, to the extent such Option or SAR is vested, for a period of up to three months after his Termination of Employment, but not after the date the Option or SAR otherwise expires.

(5) If the Participant s Termination of Employment is for Cause, the Option or SAR shall be canceled immediately upon the Participant s Termination of Employment and shall not be exercisable thereafter.

(f) ***Special Rules for Incentive Stock Options (ISOs)***. ISOs shall be subject to the requirements of Section 422 of the Code. In accordance with Section 422, an ISO shall not be granted to an individual who, immediately before the time the Option is granted, owns Shares possessing more than 10 percent of the total combined voting power of all classes of stock of the Company, unless the Award Agreement for such ISO provides that (i) the exercise price is no less than 110% of the fair market value of the Shares on the grant date (determined in accordance with Treas. Reg. § 1.422-2(f) (1)), and (ii) the Option expires no later than the fifth anniversary of the grant date.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

Section 6. Restricted Stock and Restricted Stock Units.

(a) ***Grant***. Subject to the limits set forth in the Plan, the Committee is authorized to determine the number of Shares of Restricted Stock and the number of Restricted Stock Units to be granted to a Participant, and the other terms and conditions applicable to such Restricted Stock and Restricted Stock Units, including the conditions for vesting of such Awards. As provided in Section 6(b) hereof, the Committee is authorized to make the vesting of all or part of an Award of Restricted Stock or Restricted Stock Units contingent on the achievement of Performance Objectives specified by the Committee.

(b) ***Performance-Based Grants***. The Committee is authorized to make the grant and/or the vesting of Awards of Restricted Stock and Restricted Stock Units contingent on the achievement of Performance Objectives specified by the Committee. If such Performance Objectives are not satisfied, the Award shall not be granted or become vested, as the case may be. Partial achievement of such Performance Objectives may result in the grant or vesting of a portion of the Award corresponding to the degree of achievement.

(c) ***Rights of Participant***. A Participant to whom Shares of Restricted Stock have been granted shall have absolute ownership of such Shares, including the right to vote the same and to receive dividends thereon, subject to the terms, conditions, and restrictions described in the Plan and in the Award Agreement. A Participant to whom Restricted Stock Units have been granted shall have no ownership interest in the Shares to which such Restricted Stock Units relate until and unless settlement with respect to such Restricted Stock Units is actually made in Shares.

(d) ***Restrictions***. Until the restrictions applicable to Restricted Stock shall lapse, the Restricted Stock shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of. Unless the Restricted Stock vests earlier pursuant to Section 6(e), 11 or 12(e) hereof, the restrictions set forth in his Section 6(d) shall remain in effect until the end of the Restricted Period.

(e) ***Termination of Employment***.

(1) Other than (x) as set forth in paragraph (2), below, or the Award Agreement, and (y) as may be determined by the Committee under Section 11 or 12(e) hereof, if a Participant s Termination of Employment for any reason occurs before the restrictions applicable to Restricted Stock lapse, or before the Award of Restricted Stock Units becomes fully vested:

(A) Such Restricted Stock shall be forfeited, all rights with respect to such Restricted Stock shall immediately terminate without any payment of consideration by the Company, and any Shares of such Restricted Stock that had been delivered to, or held in custody for, the Participant shall be returned to the Company forthwith, accompanied by any instrument of transfer requested by the Company; and

(B) Such unvested Restricted Stock Units shall be immediately forfeited, and all of the rights of the Participant with respect to such Restricted Stock Units shall immediately terminate without any payment of consideration by the Company.

(2) Except as otherwise provided in the Award Agreement, if the Participant s Termination of Employment is due to the Participant s death or Disability, a portion of any Award of Restricted Stock or Restricted Stock Units shall become vested as follows:

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

(A) If the Award is not contingent on the achievement of Performance Objectives, the vested percentage of the Award shall equal a fraction, the numerator of which is the number of completed months from the date on which the Award was granted until the Participant s Termination of Employment and the denominator of which is the number of months from the grant date to the Vesting Date; and

(B) If the Award is contingent on the achievement of Performance Objectives, a portion of the Award shall become vested only if the Participant s Termination of Employment occurs at least 12 months after the start of the applicable Performance Period. The vested percentage shall equal a service-based vesting percentage determined in accordance with subparagraph (A), above, adjusted up or down based on (i) in the case of the Participant s death, actual performance before the Participant s death (to the extent measured) and estimated performance for the remainder of the Performance Period, and (ii) in the case of the Participant s Disability, actual performance through the end of the Performance Period.

(f) ***Settlement of Restricted Stock Units***. Except as otherwise provided in the Award Agreement, and subject to Section 12(m) and (n) hereof, any vested Restricted Stock Units shall be settled on the earlier of (x) a date determined by the Company that is within 90 days after the Participant s death or (y) a date determined by the Company that is during the calendar year in which the Vesting Date occurs.

(g) ***Agreement by Participant Regarding Withholding Taxes for Restricted Stock***. Each Participant who receives Restricted Stock shall agree that:

(1) No later than the date of the lapse of the restrictions applicable to the Restricted Stock (or, if earlier, as soon as practicable after the Committee or the Company determines that the Restricted Stock is no longer subject to a substantial risk of forfeiture within the meaning of Section 83(a)(1) of the Code), the Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any taxes of any kind required by law to be withheld with respect to the Restricted Stock; and

(2) The Company and its Subsidiaries and Affiliates shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due to the Participant any taxes of any kind required by law to be withheld with respect to the Restricted Stock. A Participant may elect to have any withholding tax obligation satisfied by

(A) having the Company withhold shares otherwise deliverable to the Participant in connection with the Award of Restricted Stock, or

(B) delivering to the Company such Restricted Stock or delivering to the Company other Shares; provided that the Committee may, in its sole discretion, disapprove any such election.

(h) ***Election to Recognize Gross Income from Restricted Stock in Year of Grant***. If a Participant properly elects, within 30 days of the date of grant of Restricted Stock, to include in gross income for federal income tax purposes an amount equal to the fair market value of the Shares awarded on the date of grant, he shall make arrangements satisfactory to the Committee to pay any taxes required to be withheld with respect to such Shares. If he fails to make the payments, the Company and its Subsidiaries and Affiliates shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due to the Participant any taxes of any kind required by

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

law to be withheld with respect to the Shares.

(i) ***Foreign Laws***. Notwithstanding any other provision of the Plan, if Restricted Stock is to be awarded to a Participant who is subject to the laws, including the tax laws, of any country other than the United States, the Committee may, in its discretion, direct the Company to sell, assign, or otherwise transfer the Restricted Stock to a trust or other entity or arrangement, rather than grant the Restricted Stock directly to the Participant.

Section 7. Performance Shares, Performance Units, and Other Stock-Based Awards.

(a) ***Grant***. Subject to the limits set forth in the Plan, the Committee is authorized to determine the number (or, for Performance Units denominated in cash, the amount) of Performance Shares, Performance Units, and Other-Stock-Based Awards to be granted to a Participant and the other terms and conditions of such Awards. The Performance Shares and Performance Units shall become vested upon (and only to the extent of) the achievement of specified Performance Objectives specified by the Committee, and any other conditions set forth in the Award Agreement. Partial achievement of the objective(s) may result in a payment corresponding to the degree of achievement.

(b) ***Payment***. Payment of Performance Shares and Performance Units and Other Stock-Based Awards may be made in cash, Shares, or a combination, as determined by the Committee. For purposes of calculating the amount of any payment, the Fair Market Value of Shares shall be determined on the Vesting Date. Except as otherwise provided in the Award Agreement, and subject to Section 12(m) and (n) hereof, any Performance Shares or Performance Units shall be paid on the earlier of (1) a date determined by the Company that is within 90 days after the Participant s death, or (2) a date determined by the Company that is during the calendar year in which the Vesting Date occurs.

(c) ***Termination of Employment.***

(1) Other than (A) as set forth in paragraph (2), below, or the Award Agreement, and (B) as may be determined by the Committee under Section 11 or 12(e) hereof, if a Participant s Termination of Employment for any reason occurs before a Performance Share, Performance Unit, or Other Stock-Based Award becomes fully vested, the unvested portion of such Performance Share, Performance Unit, or Other Stock-Based Award shall be immediately forfeited, and all of the rights of the Participant with respect to any such Award shall immediately terminate without any payment of consideration by the Company.

(2) Except as otherwise provided in the Award Agreement, if (A) the Participant s Termination of Employment is due to the Participant s death or Disability and (B) his Termination of Employment occurs at least 12 months after the start of the applicable Performance Period, a portion of any Performance Shares, Performance Units, or Other Stock-Based Award shall be vested, as follows: first, the target number (or target amount) of Performance Shares, Performance Units or Other Stock Based Awards shall be multiplied by a fraction, the numerator of which is the number of completed months from the first day of the Performance Period to the Participant s Termination of Employment and the denominator of which is the number of months in the Performance Period, and then such reduced target number (or target amount) shall be adjusted up or down based on (i) in the case of a Participant s death, actual performance before the Participant s death (to the extent measured) and estimated performance for the remainder of the Performance Period, and (ii) in the case of the Participant s Disability, actual performance through the end of the Performance Period.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

Section 8. Performance Cash.

(a) ***Grant***. Subject to the limits set forth in the Plan, the Committee is authorized to determine the amount of Performance Cash Awards to be granted to a Participant and the other terms and conditions of such Awards. The Performance Cash Awards shall become vested upon (and only to the extent of) the achievement of specified Performance Objectives specified by the Committee, and any other conditions set forth in the Award Agreement. Partial achievement of the objective(s) may result in a payment corresponding to the degree of achievement.

(b) ***Payment***. Payment of Performance Cash Awards shall be may be made in cash, Shares, or a combination, as determined by the Committee. Any Shares shall be valued in the same manner as described in Section 7(b) hereof. Except as otherwise provided in the Award Agreement, and subject to Section 12(m) and (n) hereof, any Performance Cash Award shall be paid on the earlier of (1) a date determined by the Company that is within 90 days after the Participant s death, or (2) a date determined by the Company that is during the calendar year in which the Vesting Date occurs.

(c) ***Termination of Employment***.

(1) Other than (A) as set forth in paragraph (2), below, or the Award Agreement, and (B) as may be determined by the Committee under Section 11 or 12(e) hereof, if a Participant s Termination of Employment for any reason occurs before a Performance Cash Award becomes fully vested, the unvested portion of such Performance Cash Award shall be immediately forfeited, and all of the rights of the Participant with respect to any such Award shall immediately terminate without any payment of consideration by the Company

(2) Except as otherwise provided in the Award Agreement, if (A) the Participant s Termination of Employment is due to the Participant s death or Disability and (B) his Termination of Employment occurs at least 12 months after the start of the applicable Performance Period, a portion of any Performance Cash Award shall be vested, as follows: first, the target amount of the Performance Cash Award shall be multiplied by a fraction, the numerator of which is the number of completed months from the first day of the Performance Period to the Participant s Termination of Employment and the denominator of which is the number of months in the Performance Period, and then such reduced target amount shall be adjusted up or down based on (i) in the case of a Participant s death, actual performance before the Participant s death (to the extent measured) and estimated performance for the remainder of the Performance Period, and (ii) in the case of the Participant s Disability, actual performance through the end of the Performance Period.

Section 9. Executive Incentive Performance Awards.

(a) ***EIP Awards***. The Committee is authorized to grant EIP Awards, in its sole discretion, with respect to a Performance Period that consists of all or part of a Plan Year.

(b) ***Determination of EIP Amounts***. The amount of an EIP Award shall be determined by the Committee and shall be contingent upon the achievement of Performance Objectives specified by the Committee. Partial achievement of such Performance Objective(s) may result in an Award corresponding to the degree of achievement. The Committee may, however, authorize payment of less than the amount corresponding to the degree of achievement of such Performance Objectives.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

(c) ***Maximum Individual EIP Awards***. The maximum individual EIP Award permitted with respect to any full Plan Year is $8,000,000. If the Performance Period for an EIP Award is less than a full Plan Year, the $8,000,000 limit shall be pro-rated to reflect the length of the Performance Period. No Award issued under any Prior Plan shall count toward the maximum set forth in this Section 9(c), even if such other Award relates to a Plan Year or period of service that begins or ends after termination of the Prior Plan.

(d) ***Form and Timing of EIP Awards***. The Committee shall be responsible for determining the form and timing of EIP Awards under the Plan. In its discretion, the Committee may make any Award payable in cash, Shares, or a combination. Any Shares awarded under this Section 9 shall be valued using the Fair Market Value of the Shares on the day the Shares are awarded. Subject to Section 12(m) and (n) hereof, each individual EIP Award shall be paid on the earlier of (1) a date determined by the Company that is within 90 days after the Participant s death or (2) the date prescribed by the Award Agreement. The Committee shall have discretion to require a deferred payment schedule if such deferred payment schedule complies with the requirements of Section 409A of the Code.

(e) ***Termination of Employment Other than for Cause.***

(1) Other than (A) as set forth in paragraph (2), below, or an EIP Award Agreement, and (B) as may be determined by the Committee under Section 11 hereof, if a Participant s Termination of Employment occurs before the payment due date for an EIP Award, such EIP Award shall be immediately forfeited, and all of the rights of the Participant with respect to any such EIP Award shall immediately terminate without any payment of consideration by the Company.

(2) If the Participant s Termination of Employment is due to the Participant s death or Disability, a portion of the EIP Award shall be vested, as follows: first, the target amount of the EIP Award shall be multiplied by a fraction, the numerator of which is the number of completed months (not to exceed 12) from the first day of the Performance Period to the Participant s Termination of Employment and the denominator of which is the number of months in the Performance Period, and then such reduced target amount shall be adjusted up or down based on (A) in the case of a Participant s death, actual performance before the Participant s death (to the extent measured) and estimated performance for the remainder of the Performance Period, and (B) in the case of the Participant s Disability, actual performance through the end of the Performance Period.

(f) ***Change of Control***. Upon the occurrence of a Change of Control, a Participant s EIP Award shall immediately become vested as follows, except as otherwise provided by the Committee:

(1) If such Change of Control occurs on or prior to March 31 of a Plan Year, then the vested amount shall equal the target amount of the EIP Award times a fraction, the numerator of which is the number of completed days from the first day of the Performance Period through (and including) the date of the consummation of the Change of Control, and the denominator of which is the number of days in the Performance Period; or

(2) If such Change of Control occurs after March 31 of a Plan Year, then the vested amount shall equal the target amount of the EIP Award.

Such vested amount shall be paid within 30 days after the Change of Control.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

Section 10. Dividend Equivalents and Shares in Lieu of Cash.

(a) ***Dividend Equivalents***. The Committee is authorized to grant Dividend Equivalents to Participants having Full Value Awards under which such Participant shall be entitled to receive payments (in cash or Shares, as determined in the discretion of the Committee) equivalent to the amount of cash or share dividends paid by the Company to holders of Shares with respect to a number of Shares determined by the Committee. Subject to the terms of the Plan, such Dividend Equivalents may have such terms and conditions as the Committee shall determine; provided that the payment terms of such Dividend Equivalents shall be set forth in writing and structured with the intent to comply with (or to be exempt from) the requirements of Section 409A of the Code.

(b) ***Shares in Lieu of Cash***. The Committee may grant Awards of Shares in lieu of all or part of any compensation otherwise payable in cash to an Eligible Employee by the Company or any Subsidiary or Affiliate. If Shares are issued in lieu of cash, the number of Shares to be issued shall equal the number of whole Shares that have an aggregate Fair Market Value (determined on the date the cash otherwise would have been payable) equal to or less than the amount of such cash.

Section 11. Termination of Employment.

(a) ***Termination Other than for Cause***. If a Participant incurs a Termination of Employment for any reason other than Cause, the Participant shall be vested only in the portion of the Award (if any) in which the Participant is vested immediately before his Termination of Employment, except to the extent (1) expressly set forth in the Plan or the Award Agreement or (2) to the extent permitted by the Plan, that the Committee in its sole discretion determines otherwise; provided, however, that subject to Section 12(e) hereof and the terms of the Award Agreement, no Award shall become vested before the first anniversary of the date on which the Award was granted unless the Participant s Termination of Employment was due to Retirement, death, or Disability.

(b) ***Termination for Cause***. If a Participant incurs a Termination of Employment for Cause, then all outstanding Awards shall immediately be canceled, except as the Committee may otherwise provide in the Award Agreement.

(c) ***Vesting During Severance Period***. Unless the Committee provides otherwise, a Participant who remains on his Employer s payroll after his Termination of Employment (e.g., by reason of receiving severance payments) shall continue to vest in, and accrue rights under, his Awards, as if he had continued in employment with his Employer through the date as of which he is withdrawn from his Employer s payroll. Neither the Committee nor its designee shall be required to authorize continued vesting or accrual of rights for any Participant after his Termination of Employment, unless otherwise expressly provided by an Award Agreement or other binding agreement involving the Company, a Subsidiary, or an Affiliate; and there is no obligation of uniformity or consistency of treatment of Participants.

Section 12. General Provisions.

(a) ***Awards***. Each Award hereunder shall be evidenced in writing (which may be electronic). Except with respect to an EIP Award, the written terms of the Award shall be delivered to the Participant (including in electronic form) and shall incorporate the terms of the Plan by reference.

(b) ***Interpretation***. Notwithstanding any other provision of the Plan, to the extent that any Award is intended

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

to satisfy the requirements for performance-based compensation under Section 162(m)(4)(C) of the Code, the Committee shall not exercise any discretionary authority otherwise granted under the Plan with respect to such Award that would cause such Award to fail to qualify as performance-based compensation. For example, with respect to any Award that is intended to qualify as performance-based compensation, the Committee shall not exercise discretion to increase the value of the Award above the objectively determined maximum established for purposes of Section 162(m) and, except in the case of death, Disability, or a Change of Control, the Committee shall not allow payment of any Award before it has certified in writing that the applicable Performance Objectives have been achieved. To the extent that an Award under this Plan is used to settle or pay an award under the Company s Executive Performance Plan (or any successor thereto), the Committee may exercise discretion with respect to the Award under this Plan (including to increase the amount payable under this Plan or change the Performance Objectives), provided that (i) such discretion is not exercised to increase the aggregate value of the award established under the Executive Performance Plan, and (ii) the Committee has designated in writing that the objectives under the Executive Performance Plan have been achieved.

(c) ***Withholding***. The Company shall have the right to deduct from all amounts paid to a Participant in cash any taxes required by law to be withheld in respect of Awards under the Plan. In the case of any Award satisfied in Shares, no Shares shall be issued unless and until arrangements satisfactory to the Company shall have been made to satisfy any withholding tax obligations applicable with respect to such Award. Without limiting the generality of the foregoing and subject to such terms and conditions as the Committee may impose, the Company shall have the right to (i) retain Shares or (ii) subject to such terms and conditions as the Committee may establish from time to time, permit Participants to elect to tender Shares (including Shares issuable in respect of an Award) to satisfy, in whole or in part, the amount required to be withheld; provided that the number of Shares retained or tendered shall be no greater than the minimum number that the Company determines is required to satisfy the applicable withholding requirement.

(d) ***Nontransferability***. No Award shall be assignable or transferable except by will or the laws of descent and distribution, and except to the extent required by law, no right or interest of any Participant shall be subject to any lien, obligation or liability of the Participant; provided, however, that the Committee shall have discretion to permit (on such terms and conditions as it shall establish) transfer of a Nonstatutory Stock Option to a member of the Participant s immediate family or to a trust, partnership, corporation, or similar vehicle the parties in interest in which are limited to the Participant and members of the Participant s immediate family with respect to whom the exercise of such Option is covered by an effective registration statement under the Securities Act of 1933, as amended (collectively, the Permitted Transferees). All rights with respect to Awards granted to a Participant under the Plan shall be exercisable during the Participant s lifetime only by such Participant or, if applicable, the Permitted Transferees.

(e) ***Change of Control***. Subject to (i) Section 9(f) (with respect to EIP Awards), an Award Agreement may specify provisions relating to a Change of Control, including the acceleration of the vesting, delivery and exercisability of, and the lapse of restrictions and deemed satisfaction of Performance Objectives with respect to, the Award, and replacement of a Share-settled Award with a cash-settled Award; provided, however, that, vesting, delivery or exercisability of, or the lapse of restrictions on, any outstanding Award (other than an EIP Award) shall not be accelerated in connection with a Change of Control unless (i) the Change of Control actually occurs and (ii) the Participant s Employment is terminated without Cause, under circumstances described in the Award Agreement, within 24 months following such Change of Control.

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

(f) ***No Right to Employment***. Neither the right to participate in the Plan nor the grant of any Award shall be construed as giving a Participant the right to be retained in the employ of the Company, any Subsidiary or any Affiliate. The Company and each Subsidiary and Affiliate expressly reserve the right at any time to dismiss a Participant free from any liability, or any claim under the Plan, except as expressly provided in the Plan or in any applicable Award Agreement.

(g) ***Other Conditions to Awards***. Unless the Committee determines otherwise, the Participant s rights in respect of all of his or her outstanding Awards (whether or not vested) may be canceled, withheld, amended or otherwise limited or restricted at any time if the Participant is not in compliance with all applicable provisions of the Plan or Award Agreement, or if the Participant engages in any Prohibited Activity. In addition, each Award granted under the Plan shall be and remain subject to any clawback or recoupment policy as in effect or as may be adopted by the Board (or a committee or subcommittee of the Board), in each case, as may be amended from time to time. No such policy or amendment shall in any event require the prior consent of any Participant or Eligible Employee.

(h) ***Nature and Form of Payments***. All grants of Awards and deliveries of Shares, cash or other property under the Plan shall constitute a special discretionary incentive payment to the Participant and shall not be required to be taken into account in computing the amount of salary or compensation of the Participant for the purpose of determining any contributions to or any benefits under any pension, retirement, profit-sharing, bonus, life insurance, severance or other benefit plan of the Company or under any agreement with the Participant, unless the Company specifically provides otherwise in any such plan or agreement.

(i) ***No Rights to Awards; No Shareholder Rights***. No Participant or Eligible Employee shall have any claim to be granted any Award under the Plan, and there is no obligation of uniformity or consistency of treatment of Participants and Eligible Employees. Subject to the provisions of the Plan and the Award Agreement, no person shall have any rights as a shareholder with respect to any Shares to be issued under the Plan prior to the issuance thereof.

(j) ***Foreign Benefits***. The Committee may grant Awards to Eligible Employees of the Company and its Subsidiaries and Affiliates who reside in jurisdictions outside the United States. The Committee may adopt such supplements to the Plan as may be necessary to comply with applicable laws of such jurisdictions and to afford participants favorable treatment under such laws; provided that no Award shall be granted under any such supplement on the basis of terms or conditions that are inconsistent with provisions of the Plan.

(k) ***Indemnification***. No member of the Board or the Committee or any employee of the Company, its Subsidiaries, or its Affiliates (each, a Covered Person) shall have any liability to any person (including any Participant or Eligible Employee) for any action taken or omitted to be taken or any determination made in good faith with respect to this Plan, an Award, or an individual s participation herein. Each Covered Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense (including attorneys fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be involved by reason of any action taken or omitted to be taken by such Covered Person, with the Company s approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided, that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company will have sole control over the defense with counsel of the Company s choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either

Table of Contents

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to such indemnity claim resulted from such Covered Person s bad faith, fraud or willful misconduct. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled pursuant to the Company s bylaws or charter, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such person or to hold them harmless.

(l) ***Amendment of Plan***. The Board or the Committee may amend, suspend, or terminate the Plan or any portion thereof at any time; provided that no amendment shall be made without shareholder approval if (1) shareholder approval is required by law, regulation, a securities exchange listing requirement, or a provision of the Plan, or (2) if the amendment would increase the number of Shares available for Awards under the Plan, except as required by Section 4(e) hereof. Without the written consent of an affected Participant, no termination, suspension, or modification of the Plan shall adversely affect any right of such Participant under the terms of an Award granted before the date of such termination, suspension, or modification.

(m) ***Application of Proceeds***. The proceeds received by the Company from the sale of Shares under the Plan shall be used for general corporate purposes.

(n) ***Compliance with Legal and Exchange Requirements***. The Plan, the grant and exercise of Awards thereunder, and the other obligations of the Company under the Plan, shall be subject to all applicable federal and state laws, rules, and regulations, and to such approvals by any regulatory or governmental agency as may be required. The Company, in its discretion, may postpone the grant and exercise of Awards, the issuance or delivery of Shares under any Award or any other action permitted under the Plan to permit the Company, with reasonable diligence, to complete such stock exchange listing or registration or qualification of Shares or other required action under any federal or state law, rule, or regulation and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with applicable laws, rules, and regulations. The Company shall not be obligated by virtue of any provision of the Plan to recognize the exercise of any Award or otherwise to sell or issue Shares in violation of any such laws, rules, or regulations; and any postponement of the exercise or settlement of any Award under this provision shall not extend the term of such Awards, and neither the Company nor its directors or officers shall have any obligation or liability to the Participant with respect to any Award (or stock issuable thereunder) that shall lapse because of such postponement.

(o) ***Deferrals***. Subject to the Committee s reasonable efforts to comply with the requirements of Section 409A of the Code, the Committee may:

(1) Postpone the exercise of Awards, the issuance or delivery of Shares, the payment of cash under any Award, or any action permitted under the Plan to prevent the Company or any of its Subsidiaries or Affiliates from being denied an income tax benefit with respect to any Award, and/or

(2) Establish rules under which a Participant may elect to postpone receipt of Shares or cash under any Award.

(p) ***Section 409A of the Code.***

(1) The Plan shall be operated, administered, and interpreted consistent with the intent to comply with (or to be exempt from) the requirements of Section 409A of the Code. If the Committee or the Company determines

Appendix A. The Interpublic Group 2014 Performance Incentive Plan *continued*

that any provision of the Plan is or might be inconsistent with the restrictions imposed by Section 409A of the Code, the Plan shall be automatically amended (without further action) to the extent that the Committee or the Company determines is necessary to bring it into compliance with the requirements of Section 409A of the Code. No provision of the Plan or any Award Agreement shall be interpreted or construed to transfer any liability for a failure to comply with the requirements of Section 409A of the Code from a Participant or other individual to the Company, any Subsidiary, any Affiliate, the Committee, or any other entity or individual affiliated with the Company, the Subsidiaries, and the Affiliates.

(2) For any Participant who, as of the date on which his Termination of Employment occurs, is a specified employee (within the meaning of Section 409A(2)(B)(i) of the Code, as determined by Interpublic in accordance with Treas. Reg. § 1.409A-1(i)), the payment date for any Award that is subject to Section 409A and for which the payment trigger is the Participant s Termination of Employment shall be no earlier than the Participant s Delayed Start Date. For purposes of the Plan, the Participant s Delayed Start Date shall be the earlier of (i) the Company s first pay date for the seventh calendar month that starts after the Participant s Termination of Employment or (y) a date determined by Interpublic that is within 90 days after the Participant s death.

(q) ***Severability of Provisions***. If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed and enforced as if such provision had not been included.

(r) ***Incapacity***. Any benefit payable to or for the benefit of a minor, an incompetent person, or other person incapable of receipting therefor shall be deemed paid when paid to such person s guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge any liability or obligation of the Committee, the Board, the Company, and all other parties with respect thereto.

(s) ***Rules of Construction***. Whenever used in the Plan, words in the masculine gender shall be deemed to refer to females as well as to males; words in the singular shall be deemed to refer also to the plural; the word include shall mean including but not limited to ; and references to a statute, statutory provision, or regulation shall be construed as if they referred also to that provision (or to a successor provision of similar import) as currently in effect, as amended, or as reenacted, and to agency guidance of general applicability issued thereunder.

(t) ***Headings and Captions***. The headings and captions in this Plan document are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

(u) ***Applicable Law***. The validity, construction, interpretation, administration, and effect of the Plan and of its rules and regulations, and rights relating to the Plan, shall be determined solely in accordance with the laws of the State of New York, without regard to 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.

(v) ***Effective Date***. The Plan shall become effective on the date the Plan is approved by the Company s shareholders. No Awards may be granted under the Plan after the annual meeting of the Company s shareholders in 2024; provided that any Awards granted before such annual meeting shall continue in effect thereafter in accordance with the terms of the Awards and the Plan. Upon shareholder approval of the Plan, no awards shall be made under the Prior Plan.

Table of Contents

APPENDIX B. THE INTERPUBLIC GROUP EXECUTIVE PERFORMANCE (162(m)) PLAN

1. **Purpose.** This Plan is intended to promote the interests of the Corporation s shareholders by (i) incentivizing Participants to contribute to the long-term profitability of the Corporate Group, thereby aligning the executives interests with those of the Corporation s shareholders and other stakeholders; (ii) motivating Participants by means of performance-related incentives that are appropriately balanced to avoid incentives for Participants to take unnecessary and excessive risks; and (iii) attracting and retaining employees of outstanding ability by providing competitive incentive compensation opportunities. It is also intended that all Awards payable or provided for under this Plan be considered performance-based compensation within the meaning of Section 162(m)(4)(C) of the Code and this Plan shall be interpreted accordingly. This Plan shall become effective January 1, 2015, subject to approval by shareholders in the manner required by Section 162(m) of the Code.

2. **Definitions.** For purposes of this Plan, the following terms shall have the following meanings:

2.1 Annual Award means an amount payable to a Participant under an Award relating to a Plan Year.

2.2 Annual Bonus Pool means a Bonus Pool established with respect to an Annual Award.

2.3 Annual Performance Period means each successive Plan Year (commencing with the 2015 Plan Year).

2.4 Award means an amount payable to a Participant under an Annual Award or a Long-Term Award.

2.5 Board of Directors means the Board of Directors of the Corporation.

2.6 Bonus Pool means, with respect to any Performance Period, the Annual Bonus Pool or the Long-Term Bonus Pool, as applicable.

2.7 Code means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

2.8 Committee means the Compensation and Leadership Talent Committee of the Board of Directors.

2.9 Corporate Group means the Corporation, together with its direct and indirect Subsidiaries.

2.10 Corporation means The Interpublic Group of Companies, Inc.

2.11 Financial Statements means the Corporation s audited financial statements for the applicable Plan Year or Years.

2.12 Long-Term Award means an amount payable to a Participant under an Award relating to a Long-Term Performance Period.

2.13 Long-Term Bonus Pool means the bonus pool established pursuant to Section 4.2 for the granting of Long-Term Awards.

2.14 Long-Term Performance Period means each successive three-year period commencing on each January 1st (which, for the avoidance of doubt will commence on January 1, 2015) and ending on the third (3rd) December

Table of Contents

Appendix B. The Interpublic Group Executive Performance (162(m)) Plan *continued*

31st thereafter.

2.15 Participant means an employee of the Corporate Group who has been designated by the Committee as eligible to receive an Award pursuant to the Plan for a Plan Year or a Long-Term Performance Period.

2.16 Payment Date means, with respect to any Performance Period, the first payroll date that is at least five (5) business days following the Committee s determination and certification of the applicable Bonus Pool for such Performance Period and exercise of any negative discretion pursuant to Section 5.2 below in respect of any Awards payable in respect of such Performance Period, which shall, in all events, occur during the Plan Year immediately following the end of the applicable Performance Period.

2.17 Performance Achievement means, for each applicable Performance Period, the Corporation s adjusted net income, which consists of the consolidated net income of the Corporation and its subsidiaries, determined in accordance with U.S. Generally Accepted Accounting Principles, before adjustment for income tax expense; extraordinary items related to acquisition, restructuring and related charges, net of tax; and other extraordinary items and any other unusual or non-recurring items of loss or expense, net of tax, as reflected in the applicable Financial Statement(s) for such Performance Period; provided, that the Committee may, in a manner consistent with Section 162(m) of the Code, in an objectively determinable manner and in accordance with U.S. Generally Accepted Accounting Principles, include or exclude unrealized investment gains and losses, extraordinary, unusual or non-recurring items, asset write-downs, the effectives of accounting, tax or legal changes, currency fluctuations, mergers and acquisitions, reserve-strengthening and other non-operating items in the calculation of Performance Achievement in respect of any Performance Period.

2.18 Performance Incentive Plan means The Interpublic Group of Companies, Inc. 2014 Performance Incentive Plan or any successor thereto.

2.19 Performance Period means an Annual Performance Period or a Long-Term Performance Period.

2.20 Plan means The Interpublic Group Executive Performance (162 (m)) Plan, as amended from time to time.

2.21 Plan Year means each calendar year.

2.22 Subsidiary means (i) any corporation, domestic or foreign, more than fifty percent (50%) of the voting stock of which is owned or controlled, directly or indirectly, by the Corporation; or, (ii) any partnership, more than fifty percent (50%) of the profits interest or capital interest of which is owned or controlled, directly or indirectly, by the Corporation; or (iii) any other legal entity, more than fifty percent (50%) of the ownership interest, such interest to be determined by the Committee, of which is owned or controlled, directly or indirectly, by the Corporation.

3. Determination of Bonus Pools.

3.1 ***Annual Bonus Pool***. With respect to each Annual Performance Period, the Corporation shall establish an Annual Bonus Pool and credit (for bookkeeping purposes only) such Annual Bonus Pool with an amount equal to 8% of the Corporation s Performance Achievement for such Annual Performance Period, as certified by the Committee. Notwithstanding anything herein to the contrary, with respect to each Annual Performance Period,

Table of Contents

Appendix B. The Interpublic Group Executive Performance (162(m)) Plan *continued*

in the event that the Committee assigns less than 100% of the applicable Annual Bonus Pool in respect of such Annual Performance Period, the unassigned percentage of the Annual Bonus Pool shall not be available for Awards hereunder and such unassigned percentage shall revert back to the Corporation.

3.2 **Long-Term Bonus Pool.** With respect to each Long-Term Performance Period, the Corporation shall establish a Long-Term Bonus Pool and credit (for bookkeeping purposes only) such Long-Term Bonus Pool with an amount equal to 8% of the Corporation s Performance Achievement for such Long-Term Performance Period, as certified by the Committee. Notwithstanding anything herein to the contrary, with respect to each Long-Term Performance Period, in the event that the Committee assigns less than 100% of the applicable Long-Term Bonus Pool in respect of such Long-Term Performance Period, the unassigned percentage of the Long-Term Bonus Pool shall not be available for Awards hereunder and such unassigned percentage shall revert back to the Corporation.

4. Awards.

4.1 Within ninety (90) days after the beginning of each Performance Period (the Establishment Date), or otherwise in a manner consistent with the requirements to satisfy the performance-based compensation exception under Section 162(m) of the Code, the Committee shall designate Participants for such Performance Period and shall assign each such Participant a percentage of the applicable Bonus Pool for the Performance Period; provided, that the aggregate percentages granted to Participants in any applicable Bonus Pool shall never exceed 100% of such Bonus Pool. The maximum Annual Award which can be made to any one Participant for a Plan Year is 30% the Annual Bonus Pool and the maximum Long-Term Award which can be made to any one Participant for any Performance Period is 30% of the Long-Term Bonus Pool.

4.2 The Committee has the authority at any time (i) during any Performance Period to remove Participants from this Plan for that Performance Period, and (ii) before the applicable Establishment Date to add Participants to this Plan for a particular Performance Period.

5. Eligibility For Payment of Awards.

5.1 Subject to Section 5.2, a Participant who has been assigned a percentage of a Bonus Pool shall receive payment of an Award if (and only if) he or she remains continuously employed by the Corporate Group through the applicable Payment Date. No Participant shall be entitled to receive any payment with respect to an Award hereunder until the Committee certifies, in a manner sufficient to satisfy the certification requirement under Section 162(m) of the Code, that the applicable Bonus Pool should be funded. Notwithstanding anything herein to the contrary, if a Participant s employment with the Corporate Group terminates for any reason before the end of a Performance Period, the Committee shall have the discretion to determine whether (a) such Participant will be entitled to any Award in respect of such Performance Period (subject to and based on attainment of the Performance Achievement for such Performance Period), (b) such Participant s Award in respect of such Performance Period will be reduced on a pro-rata basis to reflect the potion of such Performance Period during which such Participant was employed by the Corporate Group, or (c) to make such other arrangement as the Committee deems appropriate in connection with the termination of such Participant s employment (provided that the Committee shall not have discretion to increase the Participant s percentage of the applicable Bonus Pool).

5.2 The Committee may, in its sole and absolute discretion and without specifying the reason for doing so, after

Appendix B. The Interpublic Group

Executive Performance (162(m)) Plan *continued*

determining the amount that would otherwise be payable under any Award for a Performance Period, reduce (including to zero), the actual payment, if any, to be made under such Award. The Committee may exercise the discretion described in the immediately preceding sentence either in individual cases or in ways that affect more than one Participant, provided; however, that the exercise of negative discretion shall not be permitted to result in any increase in the amount of any Award payable to any other Participant.

5.3 From time to time, the Committee may designate other compensation plans that will operate as sub-plans under this Plan (each such sub-plan, a Sub-Plan). Notwithstanding anything in a Sub-Plan to the contrary, the amount payable to a Participant in respect of any Performance Period pursuant to the terms of a Sub-Plan may never exceed the amount that such Participant is entitled to receive pursuant to this Plan in respect of such Performance Period, as determined and certified by the Committee.

6. Form and Timing of Payment of Awards.

6.1 Awards may be paid, in whole or in part, in cash, or any equity-based award made under the Performance Incentive Plan, as amended from time to time, or any successor or similar plan in effect when such grants are made, or in any other form prescribed by the Committee, and may be subject to such additional restrictions as the Committee, in its sole discretion, shall impose (including any vesting conditions).

6.2 If an Award is payable in shares of common stock of the Corporation or in another form permitted under the Performance Incentive Plan, such Awards will be issued and valued in accordance with the Performance Incentive Plan.

6.3 Any Award which is paid or provided hereunder to any Participant shall be subject to such terms and conditions (including vesting requirements) as the Committee and the administrative committee of any Sub-Plan under which such Award is granted may determine.

7. Deferral of Payment of Awards. The Committee may, in its sole discretion, permit a Participant to defer receipt of an Award, subject to such terms and conditions as the Committee shall impose.

8. Administration.

8.1 The Plan shall be administered by the Committee. Actions of the Committee may be taken by the vote of a majority of its members. The Committee may allocate among its members and delegate to any person who is not a member of the Committee any of its administrative responsibilities; provided, however, the Committee may not delegate any of its authority or administrative responsibilities hereunder (and no such attempted delegation will be effective) if such delegation would cause any Award payable or provided for under this Plan not to be considered performance-based compensation within the meaning of Section 162(m)(4)(C) of the Code and any such attempted delegation shall be void ab initio.

8.2

Subject to the provisions of the Plan, the Committee shall have exclusive power to select Participants, determine the amounts that shall be available for Awards each Performance Period, to interpret the Plan (including to correct any defect, remedy any omission, or reconcile any inconsistency), make any determinations deemed necessary or advisable for the administration of the Plan, and to establish the guidelines under which the Awards payable to each Participant shall be determined.

Appendix B. The Interpublic Group

Executive Performance (162(m)) Plan *continued*

8.3 The Committee s interpretation of the Plan, any determinations or decisions made regarding the Plan, grant of any Award pursuant to the Plan, and all actions taken within the scope of its authority under the Plan, shall be final, binding and conclusive on all persons (including current or former Participants and their executors).

8.4 The Committee shall have the authority to establish, adopt or revise such rules or regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan.

8.5 To the extent permitted by Section 162(m)(4)(C) of the Code, the Committee s determinations under this Plan need not be uniform and may be made by it selectively among Participants (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee will be entitled to, among other things, to make non-uniform and selective determinations as to (a) the persons to become Participants, (b) the reduction in a Participant s Award in respect of any Performance Period, and (c) whether employment with the Corporate Group has been terminated for purposes of this Plan.

9. Amendment and Termination. The Board of Directors or a designated committee of the Board of Directors (including the Committee) may amend any provision of the Plan at any time; provided, that no amendment which requires shareholder approval in order for bonuses paid pursuant to the Plan to be deductible under the Code, as amended, may be made without the approval of the shareholders of the Corporation. The Board of Directors shall have the right to terminate or suspend the Plan in its sole discretion at any time for any or no reason.

10. Miscellaneous.

10.1 This Plan will continue until terminated or suspended by the Board of Directors in its sole discretion.

10.2 The fact that an employee has been designated a Participant shall not confer on the Participant any right to be retained in the employ of the Corporation or one or more of its Subsidiaries, or to be designated a Participant in any subsequent Plan Year.

10.3 No Award under this Plan shall be taken into account in determining a Participant s compensation for the purpose of any group life insurance or other employee benefit plan unless so provided in such benefit plan.

10.4 This Plan shall not be deemed the exclusive method of providing incentive compensation for an employee of the Corporate Group, nor shall it preclude the Committee or the Board of Directors from authorizing or approving other forms of incentive compensation.

10.5 All expenses and costs in connection with the operation of the Plan shall be borne by the Corporate Group.

10.6

No member of the Board of Directors or the Committee or any employee of the Corporate Group (each, a Covered Person) will have any liability to any person (including any Participant) for any action taken or omitted to be taken or any determination made in good faith with respect to this Plan or any Participant s participation therein. Each Covered Person shall be indemnified and held harmless by the Corporation against and from any loss, cost, liability, or expense (including attorneys fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered

B-5

Table of Contents

Appendix B. The Interpublic Group Executive Performance (162(m)) Plan *continued*

Person may be involved by reason of any action taken or omitted to be taken by such Covered Person, with the Corporation s approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided, that the Corporation shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Corporation gives notice of its intent to assume the defense, the Corporation will have sole control over the defense with counsel of the Corporation s choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to such indemnity claim resulted from such Covered Person s bad faith, fraud or willful misconduct. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which Covered Persons may be entitled to pursuant to the Corporation s bylaws or charter, as a matter of law, or otherwise, or any other power that the Corporation may have to indemnify such person or to hold them harmless.

10.7 The member of the Corporate Group making a payment under this Plan shall withhold therefrom such amounts (including for taxes) as may be required by federal, state or local law, and the amount payable under the Plan to the person entitled thereto shall be reduced by the amount so withheld. Further, the Corporation or other member of the Corporate Group shall have the right to offset amounts payable to a Participant pursuant to this Plan by any outstanding amounts such Participant then owes to any member of the Corporate Group.

10.8 Notwithstanding anything contained herein to the contrary, all Awards granted under the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board of Directors (or a committee or subcommittee of the Board of Directors) and, in each case, as may be amended from time to time. No such policy or amendment shall in any event require the prior consent of any Participant.

10.9 The Plan and the rights of all persons under the Plan shall be construed and administered in accordance with the laws of the State of New York to the extent not superseded by federal law, without regard to any conflicts or choice of law or principle that might otherwise refer the interpretation of the Plan or any right under the Plan to the substantive law of another jurisdiction.

10.10 In the event of the death of a Participant, any payment due under this Plan shall be made to his or her estate (or designated beneficiary, with respect to amounts payable in the form of the common stock of the Corporation).

Table of Contents

Table of Contents