

INTERPUBLIC GROUP OF COMPANIES, INC.

Form DEF 14A

April 12, 2019

Table of Contents

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

**THE INTERPUBLIC GROUP OF COMPANIES, INC.**

**Name of the 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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1. Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
2. Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
4. Proposed maximum aggregate value of transaction:
  
  
  
  
  
  
  
  
  
  
5. Total fee paid:

Fee paid previously with preliminary materials.

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:

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table of Contents**

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

**909 Third Avenue, New York, NY 10022**

April 12, 2019

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of The Interpublic Group of Companies, Inc., to be held at 9:30 A.M. Eastern Time, on Thursday, May 23, 2019. The meeting will be held at the Paley Center for Media, 25 West 52 Street, New York, NY 10019.

This year, we are pleased to once again use the U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials on the Internet. As a result, we are mailing to many of our stockholders a notice of the online availability of our proxy materials instead of paper copies of this proxy statement and our 2018 Annual Report. The notice contains instructions on how to access those documents online. The notice also contains instructions on how stockholders receiving the notice can request a paper copy of our proxy materials, including this proxy statement, our 2018 Annual Report and a form of proxy card or voting instruction card. This distribution method conserves natural resources and reduces the costs of printing and distributing our proxy materials.

The business to be considered is described in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement. In addition to these matters, we will present a report on the state of our Company.

We hope you will be able to attend.

Sincerely,

Michael I. Roth

*Chairman of the Board*

*and Chief Executive Officer*

**Table of Contents**

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

**909 Third Avenue, New York, NY 10022**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**Time and Date:** 9:30 a.m., local time, on Thursday, May 23, 2019

**Place:** The Paley Center for Media, 25 West 52 Street, New York, NY 10019  
**Items of Business:**

1. To elect the eleven directors listed on pages 4-8 of the enclosed Proxy Statement;
  2. To ratify the appointment of PricewaterhouseCoopers LLP as Interpublic's independent registered public accounting firm for the year 2019;
  3. To hold an advisory vote on named executive officer compensation;
  4. To approve The Interpublic Group of Companies, Inc. 2019 Performance Incentive Plan;
  5. To vote on a stockholder proposal described in the proxy statement if properly presented at the meeting; and
  6. To transact such other business as may properly come before the meeting.
- Information about the foregoing matters to be voted upon at the Annual Meeting is contained in the Proxy Statement.

The close of business on March 28, 2019 has been established as the record date for the determination of stockholders entitled to notice of and to vote at this meeting and any adjournment thereof.

Stockholders will need to present a valid photo identification to be admitted to the Annual Meeting. Please note that the use of photographic and recording devices is prohibited at the meeting.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be held on May 23, 2019.**

**Interpublic's 2019 Proxy Statement and 2018 Annual Report are available electronically at <http://www.interpublic.com>.**

By Order of the Board of Directors,

Andrew Bonzani

*Executive Vice President, General Counsel and Secretary*

**Your vote is important! Whether or not you plan to attend the meeting in person, please take a moment to vote by Internet, telephone or completing a proxy card as described in the *How Do I Vote* section of this document. Your prompt cooperation will save Interpublic additional solicitation costs. You may revoke your proxy as described in the *How Can I Revoke My Proxy or Change My Vote* section of this document if you decide to change your vote or if you decide to attend the meeting and vote in person.**

Dated: April 12, 2019

**Table of Contents**

**Table of Contents**

<b><u>INTRODUCTION</u></b>	<b>1</b>
<b><u>FREQUENTLY ASKED QUESTIONS</u></b>	<b>1</b>
<b><u>ITEM 1. ELECTION OF DIRECTORS</u></b>	<b>4</b>
<b><u>OUR CORPORATE GOVERNANCE FRAMEWORK</u></b>	<b>9</b>
<u>Interpublic Governance Highlights</u>	9
<u>Corporate Governance Principles and Practices</u>	10
<u>Communications with the Board of Directors</u>	12
<u>Meetings and Committees of the Board</u>	12
<u>Board Leadership Structure</u>	14
<u>The Board's Role in Risk Oversight</u>	15
<u>Transactions with Related Persons</u>	15
<u>Director Share Ownership Guidelines</u>	16
<u>Hedging/Pledging Prohibitions</u>	16
<b><u>NON-MANAGEMENT DIRECTOR COMPENSATION</u></b>	<b>17</b>
<u>Director Summary Compensation Table</u>	18
<b><u>ITEM 2. APPOINTMENT OF REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	<b>19</b>
<b><u>AUDIT COMMITTEE REPORT</u></b>	<b>20</b>
<b><u>ITEM 3. ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u></b>	<b>21</b>
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	<b>22</b>
<u>Overview of Executive Compensation Programs</u>	22
<u>Compensation Practices and Corporate Governance</u>	22
<u>2018 Business Highlights</u>	24
<u>Aligning Pay with Performance</u>	26
<u>2018 Compensation Enhancements and Links to Strategy Executive Compensation Program Element</u>	27
<u>Compensation Philosophy and Basic Principles</u>	35
<u>How Compensation Decisions are Made</u>	36
<u>Use of Competitive Data for Compensation Reviews</u>	38
<u>Retirement Benefits</u>	38
<u>Severance and Change of Control Benefits</u>	39
<u>Share Ownership Guidelines</u>	40
<u>Tax and Accounting Implications</u>	40
<u>Compensation Risk</u>	41
<b><u>COMPENSATION AND LEADERSHIP TALENT COMMITTEE REPORT</u></b>	<b>42</b>
<b><u>EXECUTIVE COMPENSATION</u></b>	<b>43</b>
<u>Summary Compensation Table</u>	43
<u>Grants of Plan-Based Awards</u>	46
<u>Outstanding Equity Awards at Fiscal Year-End</u>	48
<u>Option Exercises and Stock Vested</u>	49
<u>Pension Arrangements</u>	50

<u>Nonqualified Deferred Compensation Arrangements</u>	51
<u>Employment Agreements, Termination of Employment and Change of Control Arrangements</u>	53
<u>Severance and Change of Control Benefits</u>	56
<u>Keys to Termination of Employment and Change of Control Payments</u>	57
<u>Estimated Termination of Employment and Change of Control Payments</u>	59
<u>CEO Pay Ratio</u>	60
<b><u>OUTSTANDING SHARES AND OWNERSHIP OF COMMON STOCK</u></b>	<b>61</b>
<u>Outstanding Shares</u>	61
<u>Share Ownership of Certain Beneficial Owners</u>	61
<u>Share Ownership of Management</u>	62
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	62
<b><u>ITEM 4. PROPOSAL TO ADOPT THE 2019 PERFORMANCE INCENTIVE PLAN OF INTERPUBLIC</u></b>	<b>63</b>
<b><u>ITEM 5. STOCK HOLDER PROPOSAL</u></b>	<b>72</b>
<b><u>INFORMATION FOR STOCKHOLDERS THAT HOLD INTERPUBLIC COMMON STOCK THROUGH A BANK OR BROKER</u></b>	<b>74</b>
<b><u>INFORMATION FOR PARTICIPANTS IN THE INTERPUBLIC GROUP OF COMPANIES, INC. SAVINGS PLAN</u></b>	<b>74</b>
<b><u>APPENDIX A: THE INTERPUBLIC GROUP OF COMPANIES, INC. 2019 PERFORMANCE INCENTIVE PLAN</u></b>	<b>A-1</b>



**Table of Contents**

**THE INTERPUBLIC GROUP OF COMPANIES, INC.**

**Proxy Statement**

**INTRODUCTION**

The Board of Directors of The Interpublic Group of Companies, Inc. ( Interpublic, IPG, the Company, us, we or providing this Proxy Statement in connection with the Annual Meeting of Stockholders, which will be held at the Paley Center for Media, 25 West 52 Street, New York, NY, at 9:30 a.m., Eastern Time, on Thursday,

May 23, 2019. Interpublic's principal executive office is located at 909 Third Avenue, New York, NY 10022. The proxy materials are first being sent to stockholders beginning on or about April 12, 2019.

This Proxy Statement is also available on our website at <http://www.interpublic.com>.

**How are the proxy materials being distributed?**

To expedite delivery, reduce our costs and decrease the environmental impact of our proxy materials, we used Notice and Access in accordance with the U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to many of our stockholders of record a notice of the Internet availability of the proxy materials in lieu of a paper copy of the proxy materials. All stockholders receiving this Notice may access the proxy materials over the Internet or request a paper copy of the proxy materials by mail. In addition, the Notice has instructions on how you may request access to proxy materials by mail or electronically on an ongoing basis.

Choosing to access your future proxy materials electronically will reduce the costs of distributing our proxy materials and helps conserve natural resources. If you choose to access future proxy materials electronically in connection with future meetings, you will receive an email of a Notice and Access with instructions containing a link to the website where the proxy materials are available and a link to the proxy-voting website. Your election to access proxy materials

electronically will remain in effect until it is terminated by you.

### **Who can vote?**

You are entitled to vote or direct the voting of your shares of Interpublic common stock (the **Common Stock** ) if you were a stockholder on March 28, 2019, the record date for the Annual Meeting. On March 28, 2019, approximately 386,949,401 shares of Common Stock were outstanding.

### **Who is the holder of record?**

You may own your shares of Common Stock either

directly registered in your name at our transfer agent, Computershare; or

indirectly through a broker, bank or other intermediary.

If your shares are registered directly in your name, you are the Holder of Record of these shares, and we are sending these proxy materials directly to you. If you hold shares indirectly through a broker, bank or other intermediary, these materials are being sent to you by or on behalf of that entity.

### **How do I vote?**

Your vote is important. We encourage you to vote promptly. You may vote in any one of the following ways:

### **Holders of record**

*By Telephone.* You can vote your shares by telephone, by calling 1-800-652-VOTE (8683). Telephone voting is available 24 hours a day and 7 days a week. If you vote by telephone, you do not need to return a proxy card. Your vote by telephone must be received by 1 a.m. EDT, May 23, 2019.

*By Internet.* You can also vote on the internet. The website address for Internet voting is [www.envisionreports.com/IPG](http://www.envisionreports.com/IPG). Internet voting is available 24 hours a day and 7 days a week. If you vote by internet, you do not need to return your proxy card. Your vote by internet must be received by 1 a.m. EDT, May 23, 2019.

*By Mail.* If you choose to vote by mail, complete the proxy card enclosed with the mailed proxy material, date and sign it, and return it in the postage-paid envelope provided. Your vote by mail must be received by 5 p.m. EDT, May 22, 2019.

*By Attending the Annual Meeting.* If you attend the Annual Meeting, you can vote your shares in person by written ballot. You must present a valid photo identification for admission to the Annual Meeting. Please refer to the instructions set forth on the proxy card.



**Table of Contents**

Frequently Asked Questions

**Shares Held by Brokers, Banks and Other Intermediaries**

If your shares of Common Stock are held through a broker, bank or other intermediary, you will receive instructions from that entity regarding the voting of your shares.

If you plan to attend the Annual Meeting and vote in person, you will need to contact your broker, bank or other intermediary in advance of the meeting to obtain a legal proxy to permit you to vote by written ballot at the Annual Meeting.

**How many shares must be present to hold the annual meeting?**

A quorum is required to transact business at the Annual Meeting. We will have a quorum at the Annual Meeting if the holders of more than 50% of the outstanding shares of Common Stock entitled to vote are present at the meeting, either in person or by proxy.

**How are votes counted?**

For all matters being submitted to a vote of stockholders, only proxies and ballots that indicate votes *FOR*, *AGAINST* or *ABSTAIN* on the proposals, or that provide the designated proxies with the right to vote in their judgment and discretion on the proposals are counted to determine the number of shares present and entitled to vote.

A New York Stock Exchange ( NYSE ) member broker that holds shares for the account of a customer has the authority to vote on certain limited matters without instructions from the customer. Of the matters being submitted to a vote of stockholders at the Annual Meeting, NYSE rules permit member brokers to vote without instructions only on the proposal to ratify the appointment of our independent auditor. On each of the other matters, NYSE members may not vote without customer instruction. A notation by a broker on a returned proxy that it is not permitted to vote on particular matters due to the NYSE rules is referred to as a broker non-vote.

**How will my shares be voted at the Annual Meeting?**

The individuals named as proxies on the proxy card will vote your shares in accordance with your instructions. Please review the voting instructions and read the entire text of the proposals and the positions of the Board of Directors in the Proxy Statement prior to marking your vote. If your proxy card is signed and returned without specifying a vote or an abstention on a proposal, it will be voted according to the recommendation of the Board of Directors on that proposal. That recommendation is shown for each proposal on the proxy card.

**What are the Board of Directors voting recommendations?**

For the reasons set forth in more detail later in the Proxy Statement, our Board of Directors recommends a vote:

**FOR** the Board's nominees for election as directors;

**FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as Interpublic's independent registered public accounting firm for 2019;

**FOR** the advisory vote to approve named executive officer compensation;

**FOR** the adoption of The Interpublic Group of Companies, Inc. 2019 Performance Incentive Plan; and

**AGAINST** the stockholder proposal.

**What vote is required to approve each proposal?**

The table below shows the vote required to approve the matters being submitted to a vote of stockholders at the Annual Meeting:

<b>Proposals</b>	<b>Vote Required</b>	<b>Do abstentions count as shares present and entitled to vote?</b>	<b>Do broker non-votes count as shares present and entitled to vote?</b>
Election of each Director	Majority of shares present and entitled to vote	Yes	No
Ratification of the Appointment of Pricewaterhouse-Coopers LLP*	Majority of shares present and entitled to vote	Yes	N/A
Advisory Vote to Approve Named Executive Officer Compensation*	Majority of shares present and entitled to vote	Yes	No

Adoption of The Interpublic Group of Companies, Inc. 2019 Performance Incentive Plan	Majority of shares present and entitled to vote	Yes	No
Stockholder Proposal	Majority of shares present and entitled to vote	Yes	No

\* Advisory and non-binding

**2** Interpublic Group *2019 Proxy Statement*

**Table of Contents**

Frequently Asked Questions

**How can I revoke my proxy or change my vote?**

You can revoke your proxy or change your vote by:

**Holders of Record**

Sending written notice of revocation to the EVP, General Counsel & Secretary of Interpublic prior to the Annual Meeting;

Submitting a later dated proxy by mail or, prior to 1 a.m., EDT, on May 23, 2019, by telephone or Internet; or

Attending the Annual Meeting and voting in person by written ballot.

**Stock Held by Brokers, Banks and Other Intermediaries**

You must contact your broker, bank or other intermediary to obtain instructions on how to revoke your proxy or change your vote.

**Who will count the vote?**

The Board of Directors has appointed Computershare to act as Inspector of Election at the 2019 Annual Meeting.

**Who is the proxy solicitor?**

D.F. King & Co., Inc. has been retained by Interpublic to assist with the Annual Meeting, including the distribution of proxy materials and solicitation of votes, for a fee of \$18,000, plus reimbursement of expenses to be paid by Interpublic. In addition, our directors, officers or employees may solicit proxies for us in person or by telephone, facsimile, Internet or other electronic means for which they will not receive any

compensation other than their regular compensation as directors, officer and employees. Banks, brokers and others holding stock for the account of their customers will be reimbursed by Interpublic for out-of-pocket expenses incurred in sending proxy materials to the beneficial owners of such shares.

**How do I submit a proposal for inclusion in Interpublic s 2020 proxy materials?**

Stockholder proposals submitted for inclusion in Interpublic s proxy statement and form of proxy for the 2020 Annual Meeting of Stockholders scheduled to be held on May 21, 2020, should be addressed to: The Interpublic Group of Companies, Inc., 909 Third Avenue, New York, NY 10022, Attention: EVP, General Counsel & Secretary, and must

be received by Interpublic by December 12, 2019, in order to be considered for inclusion. Such proposals must comply with all applicable Securities and Exchange Commission ( SEC ) regulations.

**How do I submit an item of business for consideration at the 2020 Annual Meeting?**

A stockholder wishing to introduce an item of business (including the nomination of any person for election as a director of Interpublic) for consideration by stockholders at the 2020 Annual Meeting, other than a stockholder proposal included in the proxy statement as described in response to the preceding question, must comply with Section 2.13(a)(2) of Interpublic's Bylaws, which requires notice to Interpublic no later than February 23, 2020, and no earlier than January 24, 2020, accompanied by the information required by Section 2.13(a)(2).



**Table of Contents**

At the Annual Meeting, eleven directors are to be elected, each for a one-year term. The directors so elected will hold office until the Annual Meeting of Stockholders to be held in 2020 and until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal.

Unless authority is withheld by the stockholder, it is the intention of persons named by Interpublic as proxies on the proxy card to vote **for** the nominees identified in this Proxy Statement or, in the event that any of the nominees is unable to serve (an event not now anticipated), to vote **for**

the balance of the nominees and **for** the replacement, if any, nominee, if any, designated by the Board of Directors. If no replacement is nominated, the size of the Board of Directors will be reduced.

Each of the nominees is currently a director, and each has been recommended for re-election to the Board of Directors by the Corporate Governance Committee and approved and nominated for re-election by the Board of Directors.

*The Board of Directors recommends that stockholders vote **FOR** each of the nominees.*

### Nominees for Director

The following information on each Director nominee is as of March 28, 2019, and has been provided or confirmed to Interpublic by the nominee.

<b>JOCELYN CARTER-MILLER</b>	<b>Interpublic Committees:</b>	<b>Public Directorships:</b>
	Audit	Arlo Technologies, Inc.
<b>Age: 61</b>	Corporate Governance (Chair)	The Principal Financial Group, Inc.
	Executive	
<b>Director Since: 2007</b>		<b>Former Directorships</b>
		Netgear, Inc.

**JOCELYN CARTER-MILLER** is President of TechEdVentures, Inc., a community and personal empowerment firm that develops and markets educational and community-based programs. Ms. Carter-Miller was Executive Vice President and Chief Marketing Officer of Office Depot, Inc. from February 2002 until March 2004. Prior to that time, Ms. Carter-Miller was Corporate Vice President and Chief Marketing Officer of Motorola, Inc. from February 1999 until February 2002. Ms. Carter-Miller is also a former board member of the Association of National Advertisers.

**Qualifications:** Ms. Carter-Miller provides the Board with an important perspective in the marketing field, which is a critical component of Interpublic's business, based on her extensive executive and marketing experience acquired during her time at Motorola, where she served as its Chief Marketing Officer and more recently as Executive Vice President and Chief Marketing Officer of Office Depot, Inc. Her current work as President of TechEdVentures provides the Board with a meaningful voice in keeping Interpublic focused on its corporate social responsibilities.

<b>H. JOHN GREENIAUS</b>	<b>Interpublic Committees:</b>	<b>Former Public Directorships:</b>
	Audit	Nabisco Inc.
<b>Age: 74</b>	Compensation and Leadership Talent	Pennzoil Inc.  Primedia Inc.
<b>Director Since:</b> 2001		True North Communications, Inc.

**H. JOHN GREENIAUS** retired as Chairman and Chief Executive Officer of Nabisco Inc. in 1997 having served in that position between 1993 and 1997. Mr. Greeniaus was named President and CEO of Nabisco in 1989 following KKR's leveraged buyout of the company and served in that position until 1993. Prior to that time, he held various marketing and general management positions with Nabisco in Canada, Europe and the U.S. Mr. Greeniaus began his career with Procter & Gamble in Canada and subsequently he worked at J. Walter Thompson and PepsiCo before joining Standard Brands, a Nabisco predecessor, in 1977.

**Qualifications:** Mr. Greeniaus provides insight into the challenges and issues facing a global enterprise from his experience as the former Chairman and Chief Executive Officer of Nabisco as well as his time managing Nabisco's European operations. His experience at PepsiCo, where he served as Vice President of Marketing, and his time at J. Walter Thompson allow him to offer

**Table of Contents**

## Item 1. Election of Directors

valuable perspectives on issues relevant to a marketing services company. Mr. Greeniaus' prior directorships at other public companies across a variety of industries give him the expertise to provide valuable contributions on accounting and corporate governance matters.

<b>MARY J. STEELE GUILFOILE</b>	<b>Interpublic Committees:</b>	<b>Public Directorships:</b>
	Audit (Chair)	C.H. Robinson Worldwide, Inc.
<b>Age: 65</b>	Corporate Governance	Hudson Ltd.
	Executive	Pitney Bowes Inc.
<b>Director Since: 2007</b>		<b>Former Public Directorships:</b>
		Valley National Bancorp.
		Viasys Healthcare, Inc.

**MARY J. STEELE GUILFOILE**, is currently Chairman of MG Advisors, Inc., a privately owned financial services merger and acquisitions advisory and consulting firm. From 2000 to 2002, Ms. Guilfoile was Executive Vice President and Corporate Treasurer at JPMorgan Chase & Co. and also served as Chief Administrative Officer of its investment bank. Ms. Guilfoile is a former Partner, CFO and COO of The Beacon Group, LLC, a private equity, strategic advisory and wealth management partnership, from 1996 through 2000. Ms. Guilfoile, a licensed CPA, continues as a Partner of The Beacon Group, LP, a private investment group.

**Qualifications:** Ms. Guilfoile's knowledge and expertise as a financial industry executive and her training as a certified public accountant contributes an important perspective to the Board. Ms. Guilfoile's tenure at JP Morgan Chase, and its predecessor companies, serving as Corporate Treasurer, Chief Administrative Officer for its investment bank, and in various merger integration, executive management and strategic planning positions, as well as her current role as Chairman of MG Advisors, Inc., brings to the Board someone with valuable experience and expertise in corporate governance, accounting, risk management and auditing matters.

<b>DAWN HUDSON</b>	<b>Interpublic Committees:</b>	<b>Public Directorships:</b>
	Compensation and Leadership Talent	NVIDIA Corporation
<b>Age: 61</b>		

## Corporate Governance

**Former Public Directorships:****Director Since: 2011**

Amplify Snack Brands, Inc.

Allergan, Inc.

Lowe's Companies, Inc.

PF Chang's China Bistro, Inc.

**DAWN HUDSON** was Chief Marketing Officer for the National Football League (the NFL), serving in that role from October 2014 through April 2018. Previously, she served from 2009 to 2014 as vice chairman of The Parthenon Group, an advisory firm focused on strategy consulting. Prior to that time, Ms. Hudson served as President and Chief Executive Officer of Pepsi-Cola North America, or PCNA, the multi-billion dollar refreshment beverage unit of PepsiCo, Inc. in the United States and Canada from 2005 until 2007. From 2002 to 2005, Ms. Hudson served as President of PCNA. In addition, Ms. Hudson served as Chief Executive Officer of the PepsiCo Foodservice Division from 2005 to 2007. Prior to joining PepsiCo, Ms. Hudson was Managing Director at D'Arcy Masius Benton & Bowles, a leading advertising agency based in New York. Ms. Hudson is a former Chair and board member of the Association of National Advertisers (the ANA). In 2006 and 2007, she was named among Fortune Magazine's 50 Most Powerful Women in Business. In 2002, she received the honor of Advertising Woman of the Year by Advertising Women of New York. Ms. Hudson was also inducted into the American Advertising Federation's Advertising Hall of Achievement, and has been featured twice in Advertising Age's Top 50 Marketers. Ms. Hudson is the former Chairman of the Board of the Ladies Professional Golf Association.

**Qualifications:** Ms. Hudson's extensive experience in strategy and marketing, with the NFL, at PepsiCo and at major advertising agencies, and her time as Chair of the ANA brings valuable expertise to the Board on matters which are vital to the Company's business. In addition, her experience as Vice Chair of The Parthenon Group, and as the former Chief Executive Officer of Pepsi-Co North America, provides the Board with valuable insight and perspective on matters involving the Company's business strategy and planning. Ms. Hudson also provides a unique perspective of having been both on the agency and client side of the industry. Her fifteen years of experience on various public company boards is a valuable resource on corporate governance matters.

**Table of Contents**

## Item 1. Election of Directors

<b>WILLIAM T. KERR</b>	<b>Interpublic Committees:</b>	<b>Former Public Directorships:</b>
	Audit	Global Partner Acquisition Corp
<b>Age: 77</b>	Compensation and Leadership Talent (Chair)	Arbitron Inc.
	Executive	Maytag Corporation
<b>Director Since: 2006</b>		Meredith Corporation
		Principal Financial Group
		Storage Technology Corporation
		Whirlpool Corporation

**WILLIAM T. KERR** is a partner of Eaglepoint Advisors, a firm that works with middle market companies facing innovative changes and transition. Most recently he served as Chairman of Global Partner Acquisition Corp., from 2015 to 2018. Previously, Mr. Kerr served as President and Chief Executive Officer of Arbitron Inc., a media and marketing research firm, from 2010 to 2013. He served as Chairman of the Board of Meredith Corporation from 2006 to 2010 and was Chairman and Chief Executive Officer of Meredith from 1998 to 2006. He was President and Chief Executive Officer of Meredith Corporation from 1997 to 1998. Mr. Kerr served as President and Chief Operating Officer for Meredith Corporation from 1994 through 1997 and as Executive Vice President of Meredith Corporation and President of its Magazine Group from 1991 through 1994. Prior to that time, Mr. Kerr served as Vice President of The New York Times Company and President of its magazine group, a position he held since 1984.

**Qualifications:** Mr. Kerr's general business background and knowledge in the fields of marketing research and media make a valuable contribution to the Board. In his previous leadership and executive experience at both Arbitron and at Meredith Corporation, a diversified media company, Mr. Kerr provides to the Board the perspective and insights of an organizational leader who has managed issues similar to those faced by Interpublic.

<b>HENRY S. MILLER</b>	<b>Interpublic Committees:</b>	<b>Public Directorships:</b>
	Audit	American International Group, Inc.
<b>Age: 73</b>	Corporate Governance	
		<b>Former Public Directorships:</b>
<b>Director Since: 2015</b>		Ally Financial Inc.

**HENRY S. MILLER** has been Chairman of Marblegate Asset Management, LLC, a privately owned asset management firm, since 2009. Mr. Miller was co-founder, Chairman and a Managing Director of Miller Buckfire & Co., LLC, an investment bank, from 2002 to 2011 and Chief Executive Officer from 2002 to 2009. Prior to founding

Miller Buckfire & Co., LLC, Mr. Miller was Vice Chairman and a Managing Director at Dresdner Kleinwort Wasserstein and its predecessor company Wasserstein Perella & Co., where he served as the global head of the firm's financial restructuring group. Prior to that, Mr. Miller was a Managing Director and Head of both the Restructuring Group and Transportation Industry Group of Salomon Brothers Inc. From 1989 to 1992, Mr. Miller was a managing director and, from 1990 to 1992, co-head of investment banking at Prudential Securities.

**Qualifications:** Mr. Miller's expertise in business strategy and knowledge as a financial industry executive contributes an important perspective to the Board on the Company's business strategy and financial control matters.

<b>JONATHAN F. MILLER</b>	<b>Interpublic Committees:</b>	<b>Former Public Directorships:</b>
	Compensation and Leadership Talent	Houghton Mifflin Harcourt Company
<b>Age:</b> 62	Corporate Governance	Live Nation Entertainment, Inc.
		RTL Group SA
<b>Director Since:</b> 2015	<b>Public Directorships:</b>	Shutterstock, Inc.
	Akamai Technologies Inc.	TripAdvisor, Inc.
	AMC Networks Inc.	
	j2 Global, Inc.	

**JONATHAN F. MILLER** is the Chief Executive Officer of Integrated Media Co., a special purpose digital media investment company, and began serving in that role in February 2018. Prior to that time, Mr. Miller was a Partner of Advancit Capital, LLC, a venture capital investment fund, from July 2013 through January 2018. Previously, Mr. Miller served as Chairman and Chief Executive of News Corporation's digital media group and as News Corporation's Chief Digital Officer from April 2009 until

**Table of Contents**

## Item 1. Election of Directors

October 2012. Mr. Miller had previously been a founding partner of Velocity Interactive Group ( Velocity ), an investment firm focusing on digital media and the consumer Internet, from its inception in February 2007 until April 2009. Prior to founding Velocity, Mr. Miller served as Chief Executive Officer of AOL LLC ( AOL ) from August 2002 to December 2006. Prior to joining AOL, Mr. Miller served as Chief Executive Officer and President of USA Information and Services, of USA Networks Interactive, a predecessor to IAC/InterActiveCorp.

**Qualifications:** Mr. Miller s extensive knowledge and senior leadership positions in the media industry, including executive roles at News Corporation, AOL and USA Networks Interactive, provides the Board with a broad and valuable perspective and expertise on the complex media and advertising landscape.

<b>PATRICK Q. MOORE</b>	<b>Interpublic Committees:</b>	<b>Public Directorships:</b>
	Audit	Ryman Hospitality Properties, Inc.
<b>Age: 49</b>	Compensation and Leadership Talent	
<b>Director Since: 2018</b>		

**PATRICK Q. MOORE** Patrick is Executive Vice President, Strategy and Business Development at Carter s Inc., a global leader in children s apparel and related products. From 2013 to 2017, Mr. Moore was Executive Vice President, Chief Strategy Officer with YP Holdings, a portfolio company of Cerberus Capital Management, and one of the largest local digital media businesses in the U.S. Prior to his time at YP Holdings, Mr. Moore spent more than 10 years at McKinsey & Company, a global management consulting firm, serving as a Partner and leader in the firm s Consumer Practice. Mr. Moore also led McKinsey s North American Consumer Digital Excellence initiative while with the firm.

**Qualifications:** Mr. Moore s experience at a digital media company and at a management consulting firm provide him with a unique perspective on the challenges and opportunities faced by the Company. Mr. Moore s experience and expertise in corporate strategy provides the Board with valuable perspective in the Board s oversight of the organization s strategic objectives.

<b>MICHAEL I. ROTH</b>	<b>Interpublic Committees:</b>	<b>Public Directorships:</b>
	Executive (Chair)	Pitney Bowes Inc.
<b>Age: 73</b>		Ryman Hospitality Properties, Inc.

**Director Since: 2002**

**MICHAEL I. ROTH** became Chairman of the Board and Chief Executive Officer of Interpublic in January 2005. Prior to that time Mr. Roth served as Chairman of the Board of Interpublic from July 2004 to January 2005 and has been a director of Interpublic since 2002. Mr. Roth served as Chairman and Chief Executive Officer of The MONY Group Inc. from February 1994 to June 2004.

**Qualifications:** Mr. Roth's leadership and perspective as Interpublic's Chief Executive Officer gives him an intimate knowledge of the Company's operations and his role as Chairman of the Board is aided by his successful tenure as Chairman and Chief Executive Officer of The MONY Group. Mr. Roth's other directorships, and his accounting, tax and legal background, as a certified public accountant and holding an L.L.M. degree from New York University Law School, also adds significant value to his overall contributions as a member of the Board and in his role as Chairman.



**Table of Contents**

## Item 1. Election of Directors

<b>DAVID M. THOMAS</b>	<b>Interpublic Committees:</b>	<b>Public Directorships:</b>
<b>Age:</b> 69	Compensation and Leadership Talent	Fortune Brands Home & Security, Inc. (Non-executive Chairman)
<b>Director Since:</b> 2004	Corporate Governance	<b>Former Public Directorships:</b>
	Executive	IMS Health Inc.
		The MONY Group, Inc.

**DAVID M. THOMAS** retired as executive chairman of IMS Health Inc. ( IMS ), a healthcare information, services and technology company, in March 2006, after serving in that position since January 2005. From November 2000 until January 2005, Mr. Thomas served as Chairman and Chief Executive Officer of IMS. Prior to joining IMS, Mr. Thomas was Senior Vice President and Group Executive of IBM from January 1998 to July 2000. Mr. Thomas also serves on the Board of Trustees of Fidelity Investments.

**Qualifications:** Mr. Thomas' experience as a Chief Executive Officer and overall management experience at premier global technology companies provides a vital perspective for the Board as it addresses the rapidly changing and growing landscape in advertising and marketing. Such leadership experience is also vital in his role as Presiding Director. Mr. Thomas also provides the Board with a great deal of insight and perspective in the healthcare advertising field having served as Chairman and Chief Executive Officer of IMS.

<b>E. LEE WYATT JR.</b>	<b>Interpublic Committees:</b>
<b>Age:</b> 66	Audit
<b>Director Since:</b> 2017	Corporate Governance

**E. LEE WYATT JR.** Mr. Wyatt is a former Executive Vice President of Fortune Brands Home & Security, Inc., a consumer home products company, where he served in that role from July 2017 until his retirement in December 2017. Prior to that, Mr. Wyatt served as Senior Vice President and Chief Financial Officer of Fortune Brands, where he served in that role from 2011 to July 2017. Mr. Wyatt also served as Chief Financial Officer and Executive Vice President of Hanesbrands Inc. (formerly, Sara Lee Branded Apparel) from 2005 to 2011. He has held various financial roles at Sonic Automotive Inc., ultimately serving as Chief Financial Officer through 2005. Mr. Wyatt has more than 40 years of experience working with public and private companies.

**Qualifications:** Mr. Wyatt's experience as Chief Financial Officer of several publicly traded companies for 19 years and his deep financial and business expertise contributes an important perspective to the Board on accounting, risk management and auditing matters. In addition, Mr. Wyatt's experience in overseeing and managing complex businesses at major global marketers is vital for Interpublic given its organizational structure.

8 Interpublic Group *2019 Proxy Statement*

**Table of Contents**

Our corporate governance framework is designed to ensure strong commitment to maintaining sound corporate governance practices. Our governance framework enables independent and skilled directors to provide oversight, advice, and counsel to promote the interests of Interpublic and its stockholders. Key governance policies and processes include our Code of Conduct, our comprehensive enterprise-wide risk management program, our commitment to transparent financial reporting and our systems of internal checks and balances.

You may view our Corporate Governance Guidelines, the charters of each of our board committees and the Code of Conduct for our employees and directors on Interpublic's

website at <http://www.interpublic.com> or you may obtain copies free of charge by writing to The Interpublic Group of Companies, Inc., 909 Third Avenue, New York, NY 10022, Attention: EVP, General Counsel & Secretary. These documents provide the framework for our governance at the board level. Our directors understand that they serve you as stockholders in carrying out their responsibility to oversee the operation and strategic direction of our company. To do so effectively, our Board along with management regularly reviews our Corporate Governance Guidelines, our charters and practices to assure that they are appropriate and reflect high standards.

**INTERPUBLIC GOVERNANCE HIGHLIGHTS**

**Key Governance Principles**

All directors are elected annually.  
 In uncontested director elections, each director is elected by a majority of shares present and entitled to vote.  
 Directors may not stand for reelection after age 74, unless otherwise determined by the Board that waiving this restriction is in the best interests of stockholders.  
 Directors annually review and assess board performance and the overall skills and areas of expertise present on the Board and, when determined to be in the best interests of the Company, recommend to stockholders the election of new directors to add a fresh perspective and ensure adequate succession planning.  
 No member of the Audit Committee may serve on the audit committees of more than two other public companies.

**Board Independence**

10 of the 11 director nominees are independent.  
 Our CEO is the only member of management who serves as a director.  
 Our Audit, Compensation and Leadership Talent and Corporate Governance Committees are comprised solely of independent directors.  
 The committee chairs play a key role in shaping the agendas and information presented to their committees.  
 The Board and the Committees have the authority to hire independent advisors, as they deem appropriate.

**Presiding Director**

The independent directors annually elect an independent Presiding Director.  
 The Presiding Director chairs regularly scheduled executive sessions.

**Board Oversight of**

**Risk and Strategy**

**Stockholder Rights**

The Presiding Director, together with the Chairman, plays a key role in forming the agendas and information presented to the Board.

The Presiding Director, as appropriate, is available for direct communication with major stockholders who request such a communication.

The Presiding Director has additional duties and responsibilities set forth on page 14. Enterprise-wide risk management is overseen by our Audit Committee, which reports on such matters to the Board.

Our Compensation Committee reviews compensation practices to ensure that they do not encourage imprudent risk taking.

Our Board directly oversees and advises management on development and execution of corporate strategy.

No poison pill or similar stockholder rights plan.

No supermajority voting requirements.

**Table of Contents**

Our Corporate Governance Framework

**Compensation  
Governance**

Stockholders owning 3% or more of our outstanding shares of common stock for a period of at least three years to have the right to include in our proxy statement nominees for election equal to the greater of two directors or 20% of our Board of Directors.

Stockholders holding 25% or more of the Company's common stock have the right to require that we hold a special meeting of stockholders to consider matters that are the proper subject of stockholder action.

Regular outreach and engagement with stockholders is a key objective. A significant percentage of the compensation paid to our named executive officers (NEOs) is performance-based and contingent on the price of our common stock (page 26).

Robust share ownership guidelines for our directors, NEOs and other senior executives (pages 16 and 40).

The Compensation and Leadership Talent Committee engages an independent consultant on executive compensation matters.

**Succession  
Planning**

CEO and management succession planning is one of the board's highest priorities.

Our board devotes significant attention to identifying and developing talented senior leaders.

**CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES**

**Director Independence**

In accordance with NYSE listing standards (the NYSE Listing Standards), the Board annually evaluates the independence of each member of the Board of Directors under the independence standards set forth in Interpublic's Corporate Governance Guidelines, and under the NYSE Listing Standards.

Interpublic has eleven directors, one of whom, Michael I. Roth, is an employee of Interpublic and, ten of whom are not employees of Interpublic or its subsidiaries (referred to in this Proxy Statement as Non-Management Directors). At their meetings held on February 14, 2019, the Corporate Governance Committee and the full Board determined that each of the Non-Management Directors is an independent director under Interpublic's Corporate Governance Guidelines and the NYSE Listing Standards.

**Meeting of Independent Directors**

The NYSE Listing Standards require that if the group of Non-Management Directors includes one or more directors who are not independent, then at least once annually, the Non-Management Directors should hold an executive session attended by only independent directors. Although not required under the NYSE Listing Standards (because all of the Non-Management Directors are independent), the Board nevertheless held several executive sessions of its independent directors during 2018, with Mr. Thomas, in his role as Presiding Director, serving as the chairperson of the sessions.

### **Director Selection Process**

The Corporate Governance Committee is charged with the responsibilities described below under the heading Committees of the Board of Directors Corporate Governance Committee.

One of the Committee's responsibilities is to identify and recommend to the Board candidates for election as directors. The Committee, together with the Presiding Director, considers candidates suggested by its members, other directors, senior management and stockholders as necessary in anticipation of upcoming director elections or due to Board vacancies. The Committee is given broad authorization to retain, at the expense of Interpublic, external legal, accounting or other advisers, including search firms to identify candidates and to perform background reviews of potential candidates. The Committee is expected to provide guidance to search firms it retains about the particular qualifications the Board is then seeking.

Each of the directors nominated for election at the Annual Meeting were evaluated and recommended to the Board for nomination by the Corporate Governance Committee, and nominated by the Board for election.

All director candidates, including those recommended by Stockholders, are evaluated on the same basis. Candidates are considered in light of the entirety of their credentials. As part of the evaluation of individual candidates, the following factors are taken into consideration:

Their business and professional achievements, knowledge, experience and background, particularly in light of the principal current and prospective businesses of Interpublic and the general strategic challenges facing Interpublic and its industry as a whole;

Their integrity and independence of judgment;

Their ability and willingness to devote the time necessary to fulfill Board duties;

**Table of Contents**

Our Corporate Governance Framework

Their qualifications for membership on one or more of the committees of the Board;

Their educational background;

Their independence from management under NYSE Listing Standards and Interpublic's Corporate Governance Guidelines;

The continued focus on maintaining a diverse and inclusive Board;

The needs of the Board and Interpublic; and

The Board's policies regarding the number of boards on which a director may sit, director tenure, retirement and succession as set out in Interpublic's Corporate Governance Guidelines.

In determining the needs of the Board and Interpublic, the Corporate Governance Committee considers the qualifications of sitting directors and consults with the Presiding Director, other members of the Board (including as part of the Board's annual self-evaluation), the CEO and other members of senior management and, where appropriate, external advisers. All directors are expected to exemplify the highest standards of personal and professional integrity and to assume the responsibility of challenging management through their active and constructive participation in meetings of the Board and its various committees, as well as in less formal contacts with management.

Director candidates, other than sitting directors, are interviewed by members of the Executive Committee and by other directors, the CEO and other key management personnel, and the results of those interviews are considered by the Committee in its deliberations. The Corporate Governance Committee also reviews sitting directors who are considered potential candidates for re-election, in light of the above considerations and their past contributions to the Board.

Stockholders wishing to recommend a director candidate to the Committee for its consideration should write to the Corporate Governance Committee, in care of its Chairperson, at The Interpublic Group of Companies, Inc., 909 Third

Avenue, New York, NY 10022. Any recommendations will be considered for the next annual election of directors in 2020. A recommendation should include the proposed candidate's name, biographical data and a description of his or her qualifications in light of the criteria listed above.

**Succession Planning**

Interpublic's Board of Directors is actively involved in talent management. Annually, the Board reviews and analyzes the alignment of Interpublic's strategy on personnel and succession with its overall business strategy. This includes a detailed discussion of Interpublic's global leadership bench, strength and succession plans with a focus on key positions at the senior officer level. In addition, the committees of the Board regularly discuss the talent pipeline for

specific critical roles at Interpublic and each of its global agencies. The Board seeks opportunities to provide potential leaders with exposure and visibility to Board members through formal presentations and by holding a number of Board and committee meetings throughout the year at key operating units. In addition, the Board is regularly updated on key talent indicators for the overall workforce, including work environment, diversity, recruiting and development programs.

### **Code of Conduct**

Interpublic has adopted a set of ethical standards known as the Code of Conduct, which applies to all employees of Interpublic and its subsidiaries and affiliates. Interpublic's Corporate Governance Guidelines provide that members of the Board of Directors and officers (which includes Interpublic's Chief Executive Officer, Chief Financial Officer, Controller and Chief Accounting Officer and other persons performing similar functions) must comply with the Code of Conduct. In addition, the Corporate Governance Guidelines state that the Board will not waive any provision of the Code of Conduct for any director or executive officer. The Code of Conduct, including future amendments, may be viewed on Interpublic's website at <http://www.interpublic.com> or a copy may be obtained free of charge by writing to The Interpublic Group of Companies, Inc., 909 Third Avenue, New York, NY 10022, Attention: EVP, General Counsel & Secretary.



**Table of Contents**

Our Corporate Governance Framework

**COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

Interested parties may contact Interpublic's Board of Directors, the Non-Management Directors as a group, or any individual director, as applicable, by writing to them at the following address:

c/o EVP, General Counsel & Secretary

The Interpublic Group of Companies, Inc.

909 Third Avenue

New York, NY 10022

Communications to the Board, the Non-Management Directors or to any individual director that relate to Interpublic's accounting, internal accounting controls or auditing matters will also be referred to the chairperson of the Audit Committee. Other communications will be referred to the Presiding Director (whose responsibilities are described below) or the appropriate committee chairperson.

**MEETINGS AND COMMITTEES OF THE BOARD**

**Attendance at Board of Directors and Committee Meetings**

The Corporate Governance Guidelines provide that each director is expected to be prepared for, attend and participate in, at least 75% of all regularly scheduled and special meetings of the Board and meetings of the Committees on which a Board member serves, absent special circumstances. The Board of Directors held 8 meetings in 2018 and committees of the Board held a total of 20 meetings. During 2018, each director attended more than 75% of the total number of meetings of the Board of Directors and committees on which he or she served.

**Attendance at Annual Meeting of Stockholders**

While Interpublic does not have a specific policy for attendance by directors at the Annual Meeting of Stockholders, all Directors were in attendance at the 2018 annual meeting.

**Board Structure and Committees**

The standing committees of the Board consist of the Audit Committee, the Compensation and Leadership Talent Committee, the Corporate Governance Committee and the Executive Committee. The activities of the Audit

Committee, Compensation and Leadership Talent Committee, and the Corporate Governance Committee are each governed by a charter that may be viewed on Interpublic's website at <http://www.interpublic.com> or may be obtained free of charge by writing to The Interpublic Group of Companies, Inc., 909 Third Avenue, New York, NY 10022, Attention: EVP, General Counsel & Secretary. A description of the responsibilities of each standing Committee of the Board is provided below under the heading Committees of the Board of Directors.

### Committees of the Board of Directors

The following table shows the directors who are currently members or chairman of each of the standing Board committees and the number of meetings each committee held in 2018.

Name		Compensation and		Corporate	Executive
		Audit	Leadership Talent	Governance	
Joeyln Carter-Miller	I			C	
H. John Greeniaus	I				
Mary J. Steele Guilfoile	I	C			
Dawn Hudson	I				
William T. Kerr	I		C		
Henry S. Miller	I				
Jonathan F. Miller	I				
Patrick Q. Moore	I				
Michael I. Roth					C
David M. Thomas	PD I				
E. Lee Wyatt, Jr.	I				
Number of Meetings in 2018		9	7	4	0
Chairman of the Board	C Committee Chair	Member	I Independent Director	PD Presiding Director	

**Table of Contents**

Our Corporate Governance Framework

**Audit Committee**

**Roles and Responsibilities:**

Reviews the annual financial information to be provided to stockholders and filed with the SEC; Carter-Miller (F, I)

Reviews the system of internal controls established by management;

Reviews financial reporting policies, procedures and internal controls;

Reviews and oversees the internal and external audit processes;

Responsible for the selection, compensation, retention and oversight of Interpublic's registered independent public accounting firm;

Responsible for the other activities described in greater detail in the Audit Committee Report on page 20; and

Responsible for other activities described in greater detail under the heading:

The Board's Role in Risk Oversight on page 15; and

Transactions with Related Persons on page 15.

**Committee Members:**

Greeniaus (F, I)

Guilfoile (C, F, I)

Kerr (F, I)

H. Miller (F, I)

Moore (F, I)

Wyatt (F, I)

**Number of meetings**

**during 2018: 9**

## Independence and Financial Literacy

Each member of the Audit Committee is independent in accordance with the standards set forth in Interpublic's Corporate Governance Guidelines and the NYSE Listing Standards.

The Board has determined that each member of the Audit Committee qualifies as an audit committee financial expert as defined by the SEC rules.

## Compensation and Leadership Talent Committee

### Roles and Responsibilities:

Reviews and adopts the executive compensation philosophy for the Company;

Reviews the Company's initiatives to attract, develop and retain key employees on an ongoing basis and, with the full Board, reviews succession plans for key executive positions;

Reviews and recommends to the Board, the compensation of the CEO;

In consultation with the CEO, approves the compensation of the executive officers, other than the CEO, and approves the compensation of other senior executives of the Company and its subsidiaries;

Oversees and administers the Company's equity performance incentive plans;

Establishes the performance measures and goals and verifies the achievement of performance goals under performance-based incentive compensation and equity plans; and

### Committee Members:

Greeniaus (I)

Hudson (I)

Kerr (C, I)

J. Miller (I)

Moore (I)

Thomas (I)

### Number of meetings

during 2018: 7

Reviews the Company's share ownership guidelines for selected senior executives.

The Compensation Committee's primary processes for establishing and overseeing executive compensation are described in the Compensation Discussion & Analysis under the heading Compensation Philosophy and Basic Principles on page 35.

### **Independence**

Each member of the Compensation and Leadership Talent Committee is independent in accordance with the standards set forth in Interpublic's Corporate Governance Guidelines and the NYSE Listing Standards.

C = Committee Chair

F = Determined by the Board to be an Audit Committee Financial Expert as defined under applicable SEC rules and regulations

I = Determined by the Board to be independent under the NYSE Listing Standards and applicable SEC rules and regulations

**Table of Contents**

Our Corporate Governance Framework

**Corporate Governance Committee**

**Roles and Responsibilities:**

Oversees corporate governance issues and makes recommendations to the Board;

Identifies, evaluates, and recommends candidates for nomination to the Board and the appointment of Board committee members;

Reviews and makes recommendations to the Board regarding director independence;

Reviews and advises management on the Company's social responsibility initiatives;

Oversees and recommends to the Board the CEO succession planning;

Oversees the annual self-evaluation process of the Board and Committees; and

Responsible for approving the compensation paid to the Board and committee members.

**Committee Members:**

Carter-Miller (C, I)

Guilfoile (I)

Hudson (I)

H. Miller (I)

J. Miller (I)

Thomas (I)

Wyatt (I)

**Number of meetings**

**during 2018: 4**

**Independence**

Each member of the Corporate Governance Committee is independent in accordance with the standards set forth in Interpublic's Corporate Governance Guidelines and the NYSE Listing Standards.

**Executive Committee**

**Roles and Responsibilities:**

Acts on the Board's behalf between Board meetings.

**Committee Members:**

Carter-Miller (I)

Guilfoile (I)

Kerr (I)

Roth (C)

Thomas (I)

**Number of meetings during 2018: 0**

C = Committee Chair

I = Determined by the Board to be independent under the NYSE Listing Standards and applicable SEC rules and regulations

**BOARD LEADERSHIP STRUCTURE**

The Board continually examines its policies to ensure that Interpublic's corporate governance and Board structure are designed to maximize the Company's effectiveness. Currently, the Board believes that Interpublic's Chief Executive Officer is best situated to serve as Chairman because he is the director most familiar with the operations of the Company, and most capable of determining the strategic and operational priorities of Interpublic and leading discussions with the Board. To ensure a proper level of independent board oversight, the Board has also designated a Presiding Director, who has the duties described below. The Board believes that the corporate governance measures it has in place ensure that strong, independent directors effectively oversee our management and provide vigorous oversight of our key issues relating to strategy, risk and integrity.

Interpublic's Board structure allows for independent directors to bring experience, oversight and expertise from outside Interpublic and other industries, while the Chief Executive Officer brings a company-specific knowledge base and expertise. The Board believes that the combined role of Chairman and Chief Executive Officer promotes more effective strategy development and execution, enhances the information flow between management and the Board, which are essential to effective governance, and coupled with the appointment of a Presiding Director, provides the most efficient and effective leadership structure for Interpublic, which is in the best interests of Interpublic and our stockholders.

**Presiding Director**

The Presiding Director of the Board helps to coordinate communications between the Board and management of Interpublic. In this role, the Presiding Director convenes and chairs meetings and executive sessions of the Non-Management Directors, coordinates feedback to the

**14** Interpublic Group *2019 Proxy Statement*



**Table of Contents**

Our Corporate Governance Framework

Chairman and Chief Executive Officer on behalf of the Non-Management Directors on business issues and management, coordinates and develops with the Chairman of the Board and Chief Executive Officer the agendas and presentations for meetings of the Board and, as appropriate, is available for direct communication with major stockholders who request such a communication. Mr. Thomas currently serves as the Presiding Director.

**THE BOARD'S ROLE IN RISK OVERSIGHT**

The Board has an active role in the oversight of the Company's enterprise risk management activities. Elements of the Board's risk management practices include:

An annual review and assessment by the Board of the primary operational and regulatory risks facing Interpublic, their relative magnitude and management's plan for mitigating these risks;

Specific oversight by the Audit Committee of Interpublic's financial risk exposure, including Interpublic's credit and liquidity position. Such oversight includes discussions with management and internal auditors on the magnitude and steps taken to address and mitigate any such risks;

Audit Committee oversight of Interpublic's compliance with its Code of Conduct, including establishing procedures for the receipt of anonymous complaints or concerns from employees on accounting, internal accounting controls and auditing matters; Audit Committee administration of Interpublic's Related Person Transaction Policy (as discussed below);

Corporate Governance Committee management and oversight of potential risks associated with potential issues of independence of any directors and potential conflicts of interest and oversight of the organization's practices and policies on sustainability and corporate social responsibility matters;

Compensation Committee evaluation and management of risks relating to Interpublic's compensation plans and arrangements, as well as Interpublic's overall compensation philosophy and practices; and

The establishment of standard policies specifically designed to mitigate potential risks, including requiring Board approval for all business acquisitions above a certain dollar amount. Each committee also regularly informs the Board of any potential issues or concerns raised when performing its risk management duties.

## TRANSACTIONS WITH RELATED PERSONS

Interpublic's Code of Conduct requires directors and employees to avoid activities that could conflict with the interests of Interpublic, except for transactions that are disclosed and approved in advance. Interpublic has adopted a Related Person Transaction Policy under which approval is required for any transaction, agreement or relationship between Interpublic or any of its consolidated subsidiaries and a Related Person (a Related Person Transaction).

Under the Related Person Transaction Policy, a Related Person is defined as any (i) director, nominee for election as a director, an executive officer or any of their immediate family members (as defined by the Related Person Transaction Policy); (ii) any entity, including not-for-profit and charitable organizations, controlled by or in which any of the foregoing persons have a substantial beneficial ownership interest; or (iii) any person who is known to be, at the time of the transaction, the beneficial owner of more than 5% of the voting securities of Interpublic or an immediate family member of such person.

Under the policy, Related Person Transactions do not include any employee benefit plan, program, agreement or arrangement that has been approved by the Compensation Committee or recommended by the Compensation Committee for approval by the Board.

To facilitate compliance with the policy, the Code of Conduct requires that employees, including directors and executive officers, report circumstances that may create or appear to create a conflict between the personal interests of the individual and the interests of Interpublic, regardless of the amount involved, to Interpublic's Chief Risk Officer using Interpublic's Compliance Report Form. Each director and executive officer annually confirms to the Company his or her compliance with the Related Person Transaction Policy as part of the preparation of Interpublic's Annual Report on Form 10-K and its annual proxy statement. Director nominees and persons promoted to executive officer positions must also confirm such compliance at the time of their nomination or promotion. Management also reviews its records and makes additional inquiries of management personnel and, as appropriate, third parties and other sources of information for the purpose of identifying Related Person Transactions, including Related Person Transactions involving beneficial owners of more than 5% of Interpublic's voting securities.

The Audit Committee reviews transactions subject to the Related Person Transaction Policy and determines whether to approve or disapprove those transactions, by examining whether or not the transactions are fair, reasonable and

**Table of Contents**

Our Corporate Governance Framework

within Interpublic policy. The Audit Committee makes its determination by taking into account all relevant factors and any controls that may be implemented to protect the interests of Interpublic and its stockholders. Among the factors that the Audit Committee takes into account in determining whether a transaction is fair and reasonable, as applicable, are the following:

The benefits of the transaction to Interpublic;

The terms of the transaction and whether they are arm's-length and in the ordinary course of Interpublic's business;

The direct or indirect nature of the Related Person's interest in the transaction;

The size and expected term of the transaction; and

Other facts and circumstances that bear on the materiality of the Related Person Transaction under applicable law and listing standards.

No director may participate in any consideration or approval of a Related Person Transaction with respect to which he or

she or any of his or her immediate family members is the Related Person. Related Person Transactions not approved or ratified as required by the Related Person Transaction Policy are subject to termination by Interpublic. If the transaction has been completed, the Audit Committee will consider if rescission of the transaction is appropriate and whether disciplinary action is warranted.

**Related Person Transactions**

Andrew Roth, Michael Roth's son, has been an employee of Weber Shandwick since November 2017. Andrew is not an officer or director of Interpublic and does not report to any executive officer of Interpublic. Andrew's compensation at Weber Shandwick is in excess of the \$120,000 reporting threshold and has been determined in a manner consistent with the Company's human resources and compensation policies.

The Audit Committee and the independent members of the Board assessed and approved the foregoing matter, taking into account and in accordance with the Company's Related Person Transaction Policy.

**DIRECTOR SHARE OWNERSHIP GUIDELINES**

Each non-management director is expected, within 5 years of joining the Board, to accumulate a minimum share ownership in Interpublic stock equal to five times the annual cash retainer paid to non-management directors. Outstanding shares of restricted stock are included in a Director's share ownership. All Non-Management Directors standing for re-election have met or exceeded these guidelines, with the exception of Messrs. Wyatt and Moore, both of whom have not yet reached their respective guideline compliance dates. The Company believes that the

equity component of director compensation serves to further align the Non-Management Directors with the interests of our stockholders. For information about share ownership of our Non-Management Directors, see *Non-Management Director Compensation* on page 18 and *Share Ownership of Management* on page 62. For a discussion of the share ownership guidelines applicable to Interpublic's executives, see *Compensation Discussion & Analysis - Share Ownership Guidelines* on page 40.

## **HEDGING/PLEDGING PROHIBITIONS**

Our directors and executive officers are prohibited from engaging in any transaction involving a short sale or derivative that is designed to hedge against the market risk associated with ownership of IPG shares. In addition, in December 2017, the Board adopted a policy that prohibits

any director or executive subject to share ownership guidelines from pledging IPG shares that he or she owns as security or collateral for any obligation, including, but not limited to, holding shares in a margin account.

**Table of Contents**

**Annual Board/Committee Retainer Fees**

During 2018, each Non-Management Director received as cash compensation for services rendered an annual retainer of \$100,000. No additional compensation was paid for attendance at Board or committee meetings.

For 2018, each chairperson of the Board Committees received the following additional annual retainers:

Audit Committee \$30,000

Compensation and Leadership Talent Committee \$25,000; and

Corporate Governance Committee \$20,000 per year.

**Presiding Director Retainer Fees**

For 2018, the Presiding Director received a retainer of \$75,000. This retainer was in addition to the retainers Mr. Thomas received for service as a Non-Management Director.

**Non-Management Directors Plan**

Each Non-Management Director in 2018 also received, as consideration for services rendered as a member of the Board, an award of restricted shares of Common Stock having a market value of \$200,000 on the date of grant (the Restricted Shares ) under the 2009 Interpublic

Non-Management Directors Stock Incentive Plan, as amended which was approved by the stockholders in 2009 (the 2009 Directors Plan ).

Under the terms of the 2009 Directors Plan, a recipient of restricted shares has all rights of ownership with respect to the shares, including the right to vote and to receive dividends, except that, during a restricted period ending on the first anniversary of that date of the grant, (i) the recipient is prohibited from selling or otherwise transferring the shares and (ii) the shares are subject to forfeiture if the recipient's service as a director terminates for any reason other than due to death.

On April 30, 2018, in accordance with the 2009 Directors Plan, each Director received a grant of 8,362 Restricted Shares (the 2018 Restricted Share Grant ).

**Charitable Matching Program**

Under a charitable matching program (the Charitable Matching Program ), which was approved by the Board of Directors and has been in effect for a number of years, Interpublic matches up to \$20,000 in charitable contributions made to eligible charities and academic institutions by members of the Board of Directors and certain senior management employees of Interpublic and its subsidiaries.

**Table of Contents**

## Non-Management Director Compensation

**DIRECTOR SUMMARY COMPENSATION TABLE**

The following table shows the compensation paid to Non-Management Directors for 2018.<sup>(1)</sup>

Name	Fees Earned or	Stock	All Other	Total
	Paid in Cash	Awards	Compensation	
	(\$)	(\$)	(\$)	
	(2)	(3)	(4)	(\$)
Jocelyn Carter-Miller	120,000	200,000	10,260	330,260
H. John Greeniaus	100,000	200,000	20,000	320,000
Mary J. Steele Guilfoile	130,000	200,000	12,500	342,500
Dawn Hudson	100,000	200,000	17,500	317,500