



The Interpublic Group of Companies, Inc.

Corporate Governance Guidelines

The following Corporate Governance Guidelines have been approved by Interpublic's Board of Directors and, together with the charters of the Board's committees, provide the framework for the governance of Interpublic.

1. Board Composition

- a. **Size of Board and Selection Process.** Interpublic's Directors are elected each year by Interpublic's stockholders at the annual meeting of stockholders. Interpublic's Corporate Governance Committee recommends nominees to the Board of Directors, and the Board proposes a slate of nominees to the stockholders for election. Between annual stockholder meetings, the Corporate Governance Committee may recommend and the Board may elect Directors to serve until the next annual meeting. The Board believes that, at this time and absent special circumstances, the size of the Board should be in the range of 8 to 12 Directors.
- b. **Independent Directors.** A majority of the Directors shall be independent as provided for in these Corporate Governance Guidelines and required by applicable law and the listing standards of the New York Stock Exchange (the "NYSE"). The independent Directors and any other non-management Directors shall meet in at least four regularly scheduled executive sessions without management each year. A non-management Director must preside over each executive session of the non-management Directors, although the same Director is not required to preside at all executive sessions of the non-management Directors. At least once a year, the independent Directors shall meet in an executive session including only such independent Directors.
- c. **Management Directors.** The management Directors should include the Chief Executive Officer ("CEO"). The General Counsel will not serve

on the Board but will be expected to attend Board meetings in an advisory capacity.

The Board shall select its Chairman and Interpublic's CEO in any way it considers in the best interests of Interpublic. The roles of the Chairman and the CEO may be separate or combined and, if separate, the Chairman may be a management or non-management Director.

- d. Role and Responsibilities of the Chairman.** It is the responsibility of the Chairman to facilitate constructive interaction between the Board and management. The Chairman should be fully aware of the condition of Interpublic and the concerns and recommendations of both the Directors and management. The Chairman should provide an opportunity for full and open participation by each Director at Board meetings.
- e. Role and Responsibilities of Presiding Director.** The Board may, from time to time, designate a Presiding Director whose role and responsibilities shall be defined by the Board in any way it considers in the best interests of Interpublic.

2. Director Responsibilities

- a.** Directors have a fiduciary duty to exercise their business judgment in the best interests of Interpublic. Directors must perform their duties as Directors, including their duties as members of committees, in good faith and with that degree of care that an ordinarily prudent person in a like manner would use under similar circumstances. Directors must maintain the confidentiality of Interpublic's non-public information and abide by applicable law.
- b.** The business and affairs of Interpublic are managed under the direction of the Board. The Board shall review and approve Interpublic's broad policies, strategic direction and overall priorities. The specific duties of the Board, which may be performed through committees, include:

sufficiently in advance of the meeting to allow the Directors to prepare for discussion of the items at the meeting.

3. Director Qualification Standards

a. Determination of Independence. To be considered "independent" for purposes of these Guidelines and as may be required by NYSE rules, a Director must be determined, by resolution of the Board as a whole, after due deliberation, to have no direct or indirect material relationship with Interpublic other than as a Director. References to "Interpublic" in this Section 3.a. include Interpublic's consolidated subsidiaries.

i. In no event will a Director be considered independent if:

1. the Director is, or has been in the last three years, an employee of Interpublic (provided that employment as an interim Chairman or CEO or other executive officer shall not disqualify a Director from being considered independent following that employment) or an immediate family member of the Director is, or has been within the last three years, an executive officer of Interpublic;
2. (a) the Director is a current partner or employee of a firm that is Interpublic's internal or external auditor; (b) the Director has an immediate family member who is a current partner of such a firm; (c) the Director has an immediate family member who is a current employee of such a firm and personally works on Interpublic's audit; or (d) the Director or an immediate family member of the Director was, within the last three years, a partner or employee of such a firm and personally worked on Interpublic's audit within that time;
3. the Director or an immediate family member of the Director is, or has been within the last three years, employed as an executive officer of another company where any of Interpublic's present executive officers at

the same time serves or served on that company's compensation committee;

4. the Director has received, or an immediate family member of the Director has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from Interpublic excluding: (a) director and committee fees; (b) compensation received by the Director for former service as an interim Chairman or CEO or other executive officer; (c) pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); and (d) compensation received by an immediate family member of the Director for service as an employee of Interpublic (other than an executive officer).
5. the Director is a current employee, or an immediate family member of the Director is a current executive officer, of a company that has made payments to, or received payments from, Interpublic or its subsidiaries for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues. In applying this test, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year. Contributions to tax exempt organizations shall not be considered "payments" for purposes of this section 3.a.i.5.

For purposes of the foregoing, the terms "immediate family member" and "executive officer" shall have the meanings provided in the NYSE listing standards.

- ii. Audit Committee members may not have any direct or indirect financial relationship or affiliation whatsoever with Interpublic

or any subsidiary other than as Directors or members of the Audit Committee or of other committees. Members of the Audit Committee and the other Independent Committees (as defined below) may receive directors' fees, in the form of cash, stock options or other in-kind consideration ordinarily available to Directors, as well as regular benefits that other Directors receive and pension or other deferred compensation that is not contingent on future service.

- iii. The following commercial or charitable relationships will not be considered to be material relationships that would impair a Director's independence: (1) if an Interpublic Director is an executive officer of another company that does business with Interpublic and the annual sales to, or purchases from, Interpublic are less than one percent of the annual revenues of the company he or she serves as an executive officer; (2) if an Interpublic Director is an executive officer of another company which is indebted to Interpublic or to which Interpublic is indebted, and the total amount of either company's indebtedness to the other is less than one percent of the total consolidated assets of the company he or she serves as an executive officer; and (3) if an Interpublic Director serves as an officer, director or trustee of a charitable organization, and Interpublic's discretionary charitable contributions to the organization are less than one percent of that organization's total annual charitable receipts. Annually, the Board will review all commercial and charitable relationships of Directors.
- iv. The categorical independence tests described in subsections i, ii and iii above and whether Directors meet them will be reviewed and will be made public annually prior to the Directors standing for re-election to the Board. For relationships not covered by the guidelines in subsections i or iii above, the determination of whether the relationship is material or not, and therefore whether the Director would be independent or not, shall be made by the Directors who

satisfy the independence guidelines set forth in subsections i and iii above. For example, if a Director is the CEO of a company that is indebted to Interpublic in an amount representing one percent or more of the total consolidated assets of that company, the independent Directors could determine, after considering all of the relevant circumstances, whether such a relationship was material or immaterial, and whether the Director would therefore be considered independent.

- v. No Director shall serve on more than four boards of other public companies. No management Director, however, shall serve on more than two boards of other public companies. No member of the Audit Committee shall serve on more than two audit committees of other public companies. Any membership on the boards or audit committees of other public companies in excess of these limits must be affirmatively determined by the Board not to impair the ability of the relevant Director or Audit Committee member, as the case may be, to serve effectively on the Board or Audit Committee, as the case may be.
- vi. Directors shall advise the Corporate Governance Committee and the CEO before (1) accepting new memberships on any boards of directors or audit or other significant committees of a public company; or (2) establishing other significant relationships (other than those listed in the next paragraph) with businesses, governmental entities or other institutions that may result in significant new time commitments or a change in the Director's relationship with Interpublic.
- vii. When a Director's principal occupation or business association changes substantially during his tenure as a Director, that Director shall tender his resignation for consideration to the Corporate Governance Committee. The Corporate Governance

Committee will recommend to the Board the action, if any, to be taken with respect to the resignation.

viii. Interpublic will not make any personal loans or extensions of credit to Directors or executive officers.

b. General Qualifications for Non- Management Directors. Consistent with its charter, the Corporate Governance Committee is responsible for screening candidates, for establishing criteria for nominees and for recommending to the Board a slate of nominees for election to the Board at the annual meeting of shareholders. Any Director or shareholder may recommend to the Board one or more individuals to be considered for nomination as a Director candidate. Among the criteria used by the Corporate Governance Committee to select nominees are perspective, experience, knowledge, required expertise, principles of diversity, qualifications for membership on each committee, integrity and independence of judgment, and requirements under applicable law and the company's governing documents, enabling Directors to contribute to the effective functioning of the Board and the fulfillment of its responsibilities. Non-management Directors will be expected to become familiar with the condition and operations of Interpublic, and to serve on at least one committee of the Board. The Board of Directors should have a predominance of business backgrounds, balanced by qualified individuals who can bring additional sets of experiences and perspectives to the Board.

c. Mandatory Retirement. The mandatory retirement age for a Director of Interpublic is 74 years; *provided, however*, that the Board may, in its business judgment, extend the mandatory retirement age in individual cases to assure that the Board has the necessary and desirable overall continuity and expertise.

4. Director Access to Management and Independent Advisors

a. Access to Management. At the invitation of the Board, members of senior management recommended by the Chairman and CEO may attend Board meetings or portions thereof for the purpose of making

presentations or participating in discussions. Generally, presentations of matters to be considered by the Board are made by the executive responsible for that area of Interpublic's operations. In addition, Directors shall have free access to all executives of Interpublic and its agencies and subsidiaries. Directors shall inform the CEO of any such planned meetings with executives and of the outcome of such meetings.

- b. **Access to Independent Advisors.** The non-management Directors, any Board committee or the Board as a whole may retain and consult with independent legal, financial, accounting, executive compensation or other advisors as necessary and appropriate in their judgment, at the expense of Interpublic.

5. **Director Compensation**

The Corporate Governance Committee shall have the responsibility for recommending to the Board compensation and benefits for non-management Directors, which may include an annual retainer, meeting fees and equity compensation awards. In discharging this duty, the Corporate Governance Committee shall be guided by three goals: compensation should fairly pay Directors for work required in a company of Interpublic's size and scope; compensation should align Directors' interests with the long-term interests of stockholders; and the structure of the compensation should be simple, transparent and easy for stockholders to understand.

6. **Director Orientation and Continuing Education**

Interpublic provides for Director orientation and continuing education through management briefings and presentations concerning Interpublic's key businesses and major issues. The Board, following review by the Corporate Governance Committee, will determine whether additional educational measures are appropriate.

7. **Management Succession and Performance Reviews**

- a. The Compensation Committee shall design, monitor and present to the Board for its approval, a succession plan for the CEO and senior executives. This succession plan shall include policies regarding

succession in the event of the unavailability, incapacity or retirement of the CEO and any of Interpublic's other senior executives.

- b.** At least annually, the Compensation Committee shall review and report to the full Board on the performance of the CEO and other Interpublic senior executives as designated by the Compensation Committee.
- c.** In the event of a significant restatement of financial results, the Board will review all bonuses that were made to executive officers of the Company on the basis of having met or exceeded specific performance targets for performance periods beginning after December 31, 2005 which occur during the restatement period. If such bonuses would have been lower had they been calculated based on such restated results, the Board will seek to recoup, to the extent permitted by governing law, for the benefit of the Company all such bonuses to executive officers of the Company whose fraud or misconduct resulted in such restatement, as determined by the Board. For purposes of this policy, the term "executive officers" means executive officers for purposes of the Securities Exchange Act of 1934, as amended, and the term "bonuses" means bonuses as such term is used in Item 402 of Regulation S-K under the Securities Exchange Act of 1934, as amended.

8. Annual Performance Evaluation of the Board

The Directors shall review annually the effective functioning of the Board and, if required by the listing standards of the NYSE, of the Board's committees. At least annually, the Corporate Governance Committee shall review and report to the full Board on the Board's (including committees') performance. The Corporate Governance Committee shall make appropriate recommendations to the Board following such review, including regarding areas in which the Board can better contribute to the governance and success of Interpublic. The purpose of the review of the Board's and committees' performance is to improve the Board's and the committees' performance generally and not to target the performance of individual Directors. The Corporate Governance Committee may use the results of its review in determining the criteria for Directors to be considered to fill any vacancies in

the Board or on committees and for inclusion in the slate of Directors to be recommended by the Board at the annual meeting of Interpublic's stockholders (or recommendations for committee membership).

9. Ethics and Conflicts of Interest

- a. The Board expects Interpublic's Directors, as well as all officers and employees, to act ethically at all times in accordance with Interpublic's Code of Conduct and their duty of loyalty to Interpublic. Directors are required to sign the Code of Conduct. The Board will not waive any ethics policy for any Director or executive officer.
- b. To maintain independence of the Board, all Directors are required to deal at arm's length with Interpublic and to disclose to Interpublic's General Counsel any circumstance material to the Director that might be perceived as an actual or potential conflict of interest, the taking of a corporate opportunity or a violation of the Code of Conduct.

10. Board Committees

- a. The committees of the Board include the Audit Committee, the Compensation Committee, the Corporate Governance Committee, the Finance Committee and the Executive Committee. The Board may, in accordance with Interpublic's bylaws, appoint such other committees from time to time as it deems appropriate.
- b. The Audit Committee, the Compensation Committee and the Corporate Governance Committee (collectively, the "Independent Committees") will each consist entirely of independent Directors and the Chair of the Finance Committee shall be an independent Director. The purposes and responsibilities of these committees and the required qualifications for their members are set forth in their charters.
- c. Any independent Director may attend any meeting of any committee of the Board, provided that any such Director wishing to attend any such meeting may not have any personal interest in matters being considered at such meeting.

11. Public Communications

Management speaks for Interpublic and is responsible for communications with the press, analysts, regulators and other constituencies. From time to time non-management members of the Board may be requested to communicate with one or more of those constituencies. Such communication shall be coordinated with Interpublic's corporate communications department. The proceedings and deliberations of the Board and committees, as well as all information received in connection with service on the Board and committees, shall be kept confidential by the Directors.

12. Communications with Board of Directors and Non- Management

Directors

Interested parties may contact Interpublic's Board of Directors, or the non-management Directors as a group, at the following address:

Board of Directors [Non-Management Directors]

The Interpublic Group of Companies, Inc.

1114 Avenue of the Americas

New York, NY 10036

Communications may also be sent to individual Directors at the above address. 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 Chairman of the Audit Committee. Other communications will be referred to the Presiding Director or the appropriate committee chairman.