



The Interpublic Group of Companies, Inc.

## UK Tax Strategy – Year Ending December 31, 2020

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The Interpublic Group of Companies, Inc. (“Interpublic,” “IPG,” “we,” or “our”) is one of the world’s premier global advertising and marketing services companies. Through our employees in all major world markets, including over 4,000 in the UK, our companies specialize in consumer advertising, digital marketing, media planning and buying, public relations, specialized communications disciplines and data management. IPG agencies create customized marketing programs for many of the world's largest companies through our comprehensive global services. The work our agencies produce helps clients build brands, increase sales of their products and services and gain market share.

We have built our reputation by adhering to sound and equitable business ethics and a set of values shared by all of our companies, agencies, subsidiaries and affiliates.

This strategy applies to all UK subsidiaries of Interpublic (the “UK Group Agencies”), is aligned with our Code of Conduct and Standard Policies & Procedures and has been approved by the senior executive leadership of IPG. Interpublic regards this strategy as complying with its duty under Schedule 19 Finance Act 2016.

### Tax Risk Management

With respect to all taxes that are applicable to Interpublic, the policy is to pay the amount of tax or other charges that are legally determined to be due in any territory in accordance with the rules set by any relevant body. While there will be some cases, where through inadvertent error, additional tax may be due in the UK, it is the policy of Interpublic to identify and remediate any such situation in a timely manner, working collaboratively with HM Revenue & Customs (“HMRC”) to resolve the issue.

The management of tax risk also involves taking account of the reputational risks associated with tax and the relationship with HMRC. The policy of Interpublic is to give reasoned consideration to potential disagreements with HMRC and the consequences of such disagreements over the proper interpretation and application of the relevant law. Where there is uncertainty as to the proper interpretation and application of tax law, Interpublic will obtain external advice from relevant specialists before taking a position. The management of tax risk will take all related issues and interests into consideration.

All decisions are taken at the appropriate level, are reviewed and supported with documentation that evidences the facts, conclusions and any potential risks involved.

The Senior Vice President of Tax reports regularly to the Board of Directors of Interpublic on tax matters ensuring they are aware of the importance of tax compliance and what Interpublic is doing to manage tax risk. The finance teams and controllers at UK Group Agencies are supported by an internal UK team of tax professionals to identify, manage and as far as possible, eliminate tax risks. The UK tax team provides training to the UK finance teams on tax matters. Where there is complexity, uncertainty or where additional resource is required, the assistance of external advisors is sought.

The UK Group Agencies comply with the Senior Accounting Officer provisions under which appropriate tax accounting arrangements are required.

### **Level of Tax Risk**

It is central to the function of the Interpublic's Tax Department to identify and manage tax risk so as to minimize the overall effect of risk to the organization. The same principles apply to tax risk as to other business risks and tax is considered as part of the decision-making process.

### **Attitude to Tax Planning**

In the implementation of tax planning, Interpublic considers the commercial needs of Interpublic with due consideration of reputation and the image of its group agencies and brands as responsible businesses. Accordingly, tax planning is undertaken with a responsible and well-reasoned approach as part of Interpublic's overall business strategy, consistent with the commercial and economic substance and in accordance with relevant tax legislation. We do not undertake aggressive tax planning.

### **Working with HMRC**

Interpublic seeks to develop and foster a good working relationship with HMRC, and undertake all dealings with HMRC in a professional, courteous and timely manner.

Openness, honesty and transparency are paramount in dealings with HMRC with information being clearly presented.

Wherever possible, we engage with HMRC on a real-time basis in a spirit of cooperative compliance with a view to minimizing tax risk.