

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

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

For the quarterly period ending June 30, 1996

OR

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

For the transition period from _____ to _____

Commission file number 1-6686

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Delaware 13-1024020
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1271 Avenue of the Americas, New York, New York 10020
(Address of principal executive offices) (Zip Code)

(212) 399-8000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1)
has filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such
shorter period that the registrant was required to
file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes
X . No .

Indicate the number of shares outstanding of each
of the issuer's classes of common stock, as of the
latest practicable date.

Common Stock outstanding at July 31, 1995:
90,578,140 shares.

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THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET(Dollars in Thousands)
ASSETS

	JUNE 30, 1996	DECEMBER 31, 1995
Current Assets:		
Cash and cash equivalents (includes certificates of deposit: 1996-\$92,860; 1995-\$114,182)	\$ 415,898	\$ 418,448
Marketable securities, at cost which approximates market	41,502	38,926
Receivables (less allowance for doubtful accounts: 1996-\$24,246; 1995-\$21,941)	2,467,895	2,320,248
Expenditures billable to clients	142,913	108,165
Prepaid expenses and other current assets	91,056	88,611
Total current assets	3,159,264	2,974,398
Other Assets:		
Investment in unconsolidated affiliates	96,498	119,473
Deferred taxes on income	101,653	103,497
Other investments and miscellaneous assets	172,683	144,963
Total other assets	370,834	367,933
Fixed Assets, at cost:		
Land and buildings	75,279	76,813
Furniture and equipment	386,487	360,653
	461,766	437,466
Less accumulated depreciation	255,199	240,274
	206,567	197,192
Unamortized leasehold improvements	83,273	82,075
Total fixed assets	289,840	279,267
Intangible Assets (less accumulated amortization: 1996-\$176,039; 1995-\$157,673)	690,749	638,168
Total assets	\$4,510,687	\$4,259,766

See accompanying notes to consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Dollars in Thousands Except Per Share Data)
LIABILITIES AND STOCKHOLDERS' EQUITY

	JUNE 30, 1996	DECEMBER 31, 1995
Current Liabilities:		
Payable to banks	\$ 178,082	\$ 162,524
Accounts payable	2,455,293	2,291,208
Accrued expenses	219,346	256,408
Accrued income taxes	148,023	116,557
Total current liabilities	3,000,744	2,826,697
Noncurrent Liabilities:		
Long-term debt	192,911	170,262
Convertible subordinated debentures	114,651	113,235
Deferred compensation and reserve for termination liabilities	229,082	235,325
Accrued postretirement benefits	47,680	46,461
Other noncurrent liabilities	95,621	102,909
Minority interests in consolidated subsidiaries	18,946	15,171
Total noncurrent liabilities	698,891	683,363
Stockholders' Equity:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued: none		
Common Stock, \$.10 par value shares authorized: 150,000,000 shares issued:		
1996 - 90,393,121		
1995 - 89,630,568	9,039	8,963
Additional paid-in capital	457,440	446,931
Retained earnings	782,807	704,946
Adjustment for minimum pension liability	(9,088)	(9,088)
Cumulative translation adjustments	(99,822)	(93,436)
	1,140,376	1,058,316
Less:		
Treasury stock, at cost:		
1996 - 9,086,595 shares		
1995 - 10,002,567 shares	283,519	268,946
Unamortized expense of restricted stock grants	45,805	39,664
Total stockholders' equity	811,052	749,706
Total liabilities and stockholders' equity	\$4,510,687	\$4,259,766

See accompanying notes to consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
THREE MONTHS ENDED JUNE 30

(Dollars in Thousands Except Per Share Data)

	1996		1995
Revenue	\$ 631,585	\$	534,427
Other income	43,760		22,727
Gross income	675,345		557,154
Costs and expenses:			
Operating expenses	521,568		435,588
Interest	9,665		9,803
Total costs and expenses	531,233		445,391
Income before provision for income taxes	144,112		111,763
Provision for income taxes:			
United States - federal	25,971		16,960
- state and local	5,714		7,058
Foreign	29,563		23,372
Total provision for income taxes	61,248		47,390
Income of consolidated companies	82,864		64,373
Loss applicable to minority interests	(3,017)		(2,083)
Equity in net income of unconsolidated affiliates	3,081		1,478
Net income	\$ 82,928	\$	63,768
Weighted average number of common shares	79,772,757		78,106,874
Earnings per common and common equivalent share	\$ 1.04	\$.82
Cash dividends per common share	\$.170	\$.155

See accompanying notes to consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
SIX MONTHS ENDED JUNE 30

(Dollars in Thousands Except Per Share Data)

	1996	1995
Revenue	\$ 1,123,793	\$ 981,863
Other income	57,711	35,711
Gross income	1,181,504	1,017,574
Costs and expenses:		
Operating expenses	987,677	861,180
Interest	19,190	17,730
Total costs and expenses	1,006,867	878,910
Income before provision for income taxes	174,637	138,664
Provision for income taxes:		
United States - federal	34,389	22,901
- state and local	7,798	9,618
Foreign	32,187	26,438
Total provision for income taxes	74,374	58,957
Income of consolidated companies	100,263	79,707
Loss applicable to minority interests	(4,845)	(2,871)
Equity in net income of unconsolidated affiliates	5,341	2,108
Net income	\$ 100,759	\$ 78,944
Weighted average number of common shares	79,537,347	77,836,723
Earnings per common and common equivalent share	\$ 1.27	\$ 1.02
Cash dividends per common share	\$.325	\$.295

See accompanying notes to consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30
(Dollars in Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	1996	1995
Net income	\$100,759	\$ 78,944
Adjustments to reconcile net income to cash provided by/(used in) operating activities:		
Depreciation and amortization of fixed assets	28,311	26,813
Amortization of intangible assets	13,366	12,960
Amortization of restricted stock awards	7,188	6,788
Equity in net income of unconsolidated affiliates	(5,341)	(2,108)
Income applicable to minority interests	4,845	2,871
Translation losses	1,100	1,733
Net gain from sale of investments	(8,100)	-
Other	(2,827)	(5,999)
Changes in assets and liabilities, net of acquisitions:		
Receivables	(95,395)	(11,061)
Expenditures billable to clients	(31,598)	(34,083)
Prepaid expenses and other assets	(11,067)	(17,322)
Accounts payable and accrued expenses	68,929	(126,262)
Accrued income taxes	25,737	19,064
Deferred income taxes	(5,856)	(3,133)
Deferred compensation and reserve for termination allowances	(4,347)	1,369
Net cash provided by/(used in) operating activities	85,704	(49,426)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(41,603)	(31,230)
Proceeds from sale of investments	37,578	-
Capital expenditures	(33,494)	(29,109)
Net purchases of marketable securities	(4,844)	(8,080)
Other investments and miscellaneous assets	(19,893)	(2,583)
Investments in unconsolidated affiliates	(6,278)	(9,315)
Net cash used in investing activities	(68,534)	(80,317)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term borrowings	33,061	8,193
Proceeds from long-term debt	25,000	40,000
Payments of long-term debt	(13,618)	(13,637)
Treasury stock acquired	(41,433)	(28,089)
Issuance of common stock	10,763	23,035
Cash dividends	(24,995)	(22,430)
Net cash (used in)/provided by financing activities	(11,222)	7,072
Effect of exchange rates on cash and cash equivalents	(8,498)	13,343
Decrease in cash and cash equivalents	(2,550)	(109,328)
Cash and cash equivalents at beginning of year	418,448	413,709
Cash and cash equivalents at end of period	\$415,898	\$304,381

See accompanying notes to consolidated financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Financial Statements

- (a) In the opinion of management, the consolidated balance sheet as of June 30, 1996, the consolidated statements of income for the three months and six months ended June 30, 1996 and 1995 and the consolidated statement of cash flows for the six months ended June 30, 1996 and 1995, contain all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 1996 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in The Interpublic Group of Companies, Inc.'s (the "Company") December 31, 1995 annual report to stockholders.

- (b) Statement of Financial Accounting Standards (SFAS) No. 95 "Statement of Cash Flows" requires disclosures of specific cash payments and noncash investing and financing activities. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Income tax cash payments were approximately \$37.9 million and \$40.3 million in the first six months of 1996 and 1995, respectively. Interest payments during the first six months of 1996 were approximately \$9.9 million. Interest payments during the comparable period of 1995 were approximately \$12.4 million.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE

(Dollars in Thousands Except Per Share Data)

Primary	Three Months Ended 1996	June 30 1995
Net income	\$ 82,928	\$ 63,768
Add:		
Dividends paid net of related income tax applicable to restricted stock	95	113
Net income, as adjusted	\$ 83,023	\$ 63,881
Weighted average number of common shares outstanding	77,270,126	75,745,842
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	2,502,631	2,361,032
Total	79,772,757	78,106,874
Earnings per common and common equivalent share	\$ 1.04	\$.82
	Three Months Ended 1996	June 30 1995
Fully Diluted		
Net income	\$ 82,928	\$ 63,768
Add:		
After tax interest savings on assumed conversion of subordinated debentures	1,602	1,527
Dividends paid net of related income tax applicable to restricted stock	98	114
Net income, as adjusted	\$ 84,628	\$ 65,409
Weighted average number of common shares outstanding	77,270,126	75,745,842
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	2,534,103	2,397,631
Assumed conversion of subordinated debentures	3,002,130	3,002,130
Total	82,806,359	81,145,603
Earnings per common and common equivalent share	\$ 1.02	\$.81

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
 COMPUTATION OF EARNINGS PER SHARE
 (Dollars in Thousands Except Per Share Data)

Primary	Six Months Ended June 30	
	1996	1995
Net income before effect of accounting change	\$ 100,759	\$ 78,944
Add:		
Dividends paid net of related income tax applicable to restricted stock	175	205
Net income, as adjusted	\$ 100,934	\$ 79,149
Weighted average number of common shares outstanding	77,132,583	75,520,732
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	2,404,764	2,315,991
Total	79,537,347	77,836,723
Earnings per common and common equivalent share	\$ 1.27	\$ 1.02
	Six Months Ended June 30	
Fully Diluted	1996	1995
Net income before effect of accounting change	\$ 100,759	\$ 78,944
Add:		
After tax interest savings on assumed conversion of subordinated debentures	3,165	3,054
Dividends paid net of related income tax applicable to restricted stock	192	221
Net income, as adjusted	\$ 104,116	\$ 82,219
Weighted average number of common shares outstanding	77,132,583	75,520,732
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	2,604,223	2,533,231
Assumed conversion of subordinated debentures	3,002,130	3,002,130
Total	82,738,936	81,056,093
Earnings per common and common equivalent share	\$ 1.26	\$ 1.01

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Working capital at June 30, 1996 was \$158.5 million, an increase of \$10.8 million from December 31, 1995. The ratio of current assets to current liabilities remained relatively unchanged from December 31, 1995 at approximately 1.1 to 1.

In June 1996, the Company issued 1,824,609 shares (or approximately \$84.8 million) of the Company's common stock in exchange for all the issued and outstanding stock of DraftDirect Worldwide, Inc. The acquisition was accounted for as a pooling of interest; however, the Company's financial statements were not restated for the prior periods as the Company's consolidated results would not have changed significantly.

Historically, cash flow from operations has been the primary source of working capital and management believes that it will continue to be in the future. The principal use of the Company's working capital is to provide for the operating needs of its advertising agencies, which include payments for space or time purchased from various media on behalf of its clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media. Other uses of working capital include the payment of cash dividends, acquisitions, capital expenditures and the reduction of long-term debt. In addition, during the first six months of 1996, the Company acquired 933,833 shares of its own stock for approximately \$41.4 million for the purposes of fulfilling the Company's obligations under its various compensation plans.

RESULTS OF OPERATIONS

Three Months Ended June 30, 1996 Compared to Three Months Ended June 30, 1995

Total revenue for the three months ended June 30, 1996 increased \$97.2 million, or 18.2%, to \$631.6 million compared to the same period in 1995. Domestic revenue increased \$78.8 million or 42.8% from 1995 levels. Foreign revenue increased \$18.4 million or 5.2% during the second quarter of 1996 compared to 1995. Other income increased by \$21.0 million during the second quarter of 1996 compared to the same period in 1995. The increase in other income is primarily from the proceeds resulting from the sale of a portion of the Company's interest in the CKS Group, Inc. The net gain was approximately \$8.1 million or \$.10 per share.

Operating expenses increased \$86.0 million or 19.7% during the three months ended June 30, 1996 compared to the same period in 1995. Interest expense decreased 1.4% as compared to the same period in 1995.

Pretax income increased \$32.3 million or 28.9% during the three months ended June 30, 1996 compared to the same period in 1995.

The increase in total revenue, operating expenses, and pretax income is primarily due to acquired companies' results of operations and contributions from new business gains.

Net losses from exchange and translation of foreign currencies for the three months ended June 30, 1996 were approximately \$.5 million versus \$1.1 million for the same period in 1995. The decrease in the quarter ended June 30, 1996 is primarily due to decreased translation losses in Brazil.

The effective tax rate for the three months ended June 30, 1996 was 42.5%, as compared to 42.4% in 1995.

The difference between the effective and statutory rates is primarily due to foreign losses with no tax benefit, losses from translation of foreign currencies which provided no tax benefit, state and local taxes, foreign withholding taxes on dividends and nondeductible goodwill expense.

Six Months Ended June 30, 1996 Compared to Six Months Ended June 30, 1995

Total revenue for the six months ended June 30, 1996 increased \$141.9 million, or 14.5%, to \$1,123.8 million compared to the same period in 1995. Domestic revenue increased \$108.6 million or 31.1% from 1995 levels. Foreign revenue increased \$33.4 million or 5.3% during the first six months of 1996 compared to 1995. Other income increased \$22.0 million in the first six months of 1996 compared to the same period in 1995. The increase in other income is primarily from the proceeds resulting from the sale of a portion of the Company's interest in the CKS Group, Inc. The net gain was approximately \$8.1 million or \$.10 per share.

Operating expenses increased \$126.5 million or 14.7% during the six months ended June 30, 1996 compared to the same period in 1995. Interest expense increased 8.2% during the six months ended June 30, 1996 as compared to the same six month period in 1995.

Pretax income increased \$36.0 million or 25.9% during the six months ended June 30, 1996 compared to the same period in 1995.

The increase in total revenue, operating expenses, and pretax income is primarily due to acquired companies' results of operations and contributions from new business gains.

Net losses from exchange and translation of foreign currencies for the six months ended June 30, 1996 were approximately \$1.0 million versus \$1.8 million for the same period in 1995. The decrease for the six months ended June 30, 1996 is primarily due to decreased translation losses in Brazil.

The effective tax rate for the six months ended June 30, 1996 was 42.6%, as compared to 42.5% in 1995.

PART II - OTHER INFORMATION

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

(a) This item is answered in respect of the Annual Meeting of Stockholders held May 20, 1996.

(b) No response is required to Paragraph (b) because (i) proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; (ii) there was no solicitation in opposition to Management's nominees as listed in the proxy statement; and (iii) all such nominees were elected.

(c) At the Annual Meeting, the following number of shares were cast with respect to each matter voted upon:

-- Proposal to approve Management's nominees for director as follows:

NOMINEE	FOR	WITHHELD	BROKER	
			NONVOTES	
Eugene P. Beard	65,117,053	218,973	0	
Frank J. Borelli	65,126,367	209,659	0	
John J. Dooner, Jr.		65,115,663	220,363	0
Philip H. Geier, Jr.	65,120,648		215,378	0
Frank B. Lowe	65,112,472	223,554	0	
Leif H. Olsen	65,106,670	229,356	0	
Martin F. Puris	65,118,330	217,696	0	
Allen Questrom	65,111,049	224,977	0	
J. Phillip Samper		65,118,410	217,616	0
Joseph J. Sisco	65,070,282	265,744	0	

-- Proposal to approve the Company's 1996 Stock Incentive Plan.

For	Against	Abstain	Nonvotes	Broker
36,789,809	21,330,100	642,460	6,573,657	

-- Proposal to approve Amendments to the Company's Outside Directors' Stock Option.

For	Against	Abstain	Nonvotes	Broker
47,958,564	10,153,905	649,900	6,573,657	

-- Proposal to approve confirmation of independent accountants.

				Broker
For	Against	Abstain	Nonvotes	
65,198,989	61,669	75,368	0	

-- Stockholder proposed resolution regarding implementation of the Mac Bride Principles with respect to the Company's subsidiary in Northern Ireland.

				Broker
For	Against	Abstain	Nonvotes	
6,406,527	46,800,233	5,171,991	6,957,275	

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 10(a) 1996 Stock Incentive Plan.

Exhibit 10(b) The Interpublic Outside Directors' Stock Incentive Plan (formerly named The Interpublic Outside Directors' Stock Option Plan).

Exhibit 10(c) Credit Agreement, dated as of June 25, 1996, between the Interpublic Group of Companies, Inc. ("Interpublic") and Chemical Bank.

Exhibit 10(d) Promissory Note, dated June 25, 1996 and executed by the Interpublic.

Exhibit 10(e) Money Market Note, dated June 25, 1996 and executed by Interpublic.

Exhibit 10(f) Promissory Note, dated June 25, 1996 and executed by DraftDirect Worldwide, Inc.

Exhibit 10(g) Guaranty, dated June 25, 1996 and executed by Interpublic.

Exhibit 11 Computation of Earnings Per Share.

Exhibit 27 Financial Data Schedule.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended June 30, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
(Registrant)

Date: August 14, 1996 By /S/ Eugene P. Beard
Eugene P. Beard
Vice Chairman -
Finance and Operations

Date: August 14, 1996 By /S/ Joseph M. Studley
Joseph M. Studley
Vice President & Controller -
Chief Accounting Officer

INDEX TO EXHIBITS

Exhibit No.	Description
Exhibit 10(a)	1996 Stock Incentive Plan.
Exhibit 10(b)	The Interpublic Outside Directors' Stock Incentive Plan (formerly named The Interpublic Outside Directors' Stock Option Plan).
Exhibit 10(c)	Credit Agreement, dated as of June 25, 1996, between the Interpublic Group of Companies, Inc. ("Interpublic") and Chemical Bank.
Exhibit 10(d)	Promissory Note, dated June 25, 1996 and executed by the Interpublic.
Exhibit 10(e)	Money Market Note, dated June 25, 1996 and executed by Interpublic.
Exhibit 10(f)	Promissory Note, dated June 25, 1996 and executed by DraftDirect Worldwide, Inc.
Exhibit 10(g)	Guaranty, dated June 25, 1996 and executed by Interpublic.
Exhibit 11	Computation of Earnings Per Share.
Exhibit 27	Financial Data Schedule.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

1996 STOCK INCENTIVE PLAN

I. ESTABLISHMENT OF THE PLAN.

The Interpublic Group of Companies, Inc. (hereinafter called the "Corporation") hereby establishes The Interpublic Group of Companies, Inc. 1996 Stock Incentive Plan (hereinafter called the "Plan"), subject to the terms and conditions hereinafter stated.

II. PURPOSES OF THE PLAN.

The purposes of the Plan are:

(A) To encourage stock ownership by key employees of the Corporation and its Subsidiaries so that they will have a proprietary interest in the Corporation;

(B) To provide an incentive for such employees to expand and improve the growth and prosperity of the Corporation and its Subsidiaries; and

(C) To assist the Corporation and its Subsidiaries in attracting and retaining key employees.

III. DEFINITIONS.

Unless the context clearly indicates otherwise, the following terms, when used in the Plan, shall have the meanings set forth in this Article III. Wherever used in the Plan, words in the masculine gender shall be deemed to refer to females as well as to males; words in the singular number shall be deemed to refer also to the plural number; and references to a statute or statutory provision shall be construed as if they referred also to that provision (or to a successor provision of similar import) as currently in effect, as amended or as reenacted.

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(a) "Award" means an Option or one or more Restricted Shares granted under the Plan. Unless the context clearly indicates otherwise, the term "Award" shall include both Options and Restricted Shares.

(b) "Board" means the Board of Directors of the Corporation.

(c) "Change of Control" means the occurrence of any of the following events:

(i) Any person (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "1934 Act")), other than the Corporation or any of its Subsidiaries, becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of thirty percent (30%) or more of the combined voting power of the Corporation's then outstanding voting securities;
or

(ii) A tender offer or exchange offer (other than an offer by the Corporation), pursuant to which shares of the Corporation's Common Stock were purchased, expires; or

(iii) The stockholders of the Corporation approve an agreement to merge or consolidate with another corporation and the surviving corporation is neither the Corporation nor a corporation that was, prior to the merger or consolidation, a subsidiary of the Corporation; or

(iv) The stockholders approve an agreement (including a plan of liquidation) to sell or otherwise to dispose of all or substantially all of the Corporation's assets; or

(v) During any period of two consecutive years, individuals who, at the beginning of such period, constituted the Board of Directors of the Corporation cease for any reason to constitute at least a majority thereof, unless the election or the nomination for the election by the Corporation's stockholders of each new

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director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

(d) "Committee" means the committee established by the Board pursuant to Article IV hereof.

(e) "Common Stock" means shares of the Corporation's \$.10 par value common stock.

(f) "Corporation" means The Interpublic Group of Companies, Inc.

(g) "Disability" means a condition that, in the judgment of the Committee, has rendered a Grantee completely and presumably permanently unable to perform any and every duty of his or her regular occupation.

(h) "Employee" means any common-law employee of the Corporation or Subsidiary, including an employee who is a director or officer.

(i) "Grantee" means an individual to whom an Award is granted under the Plan.

(j) "Option" means a right granted to purchase Common Stock under the Plan.

(k) "Plan" means The Interpublic Group of Companies, Inc. 1996 Stock Incentive Plan, as set forth herein and as amended from time to time.

(l) "Restricted Shares" means shares of Common Stock granted pursuant to Article IX hereof and subject to the restrictions and other terms and conditions set forth in the Plan and in the instrument evidencing the grant of the Restricted Shares.

(m) "Restriction Period" means a period beginning on the date on which Restricted Shares are granted and ending at the expiration of (i) four years from that date or (ii) any other date determined by the Committee in its discretion

that occurs no sooner than one year from the date on which the Restricted Shares are granted. The Committee may exercise its discretion pursuant to clause (ii) of the preceding sentence from time to time, either before or after the Restricted Shares are granted, and may exercise its discretion with respect to one or more Grantees but not with respect to others and with respect to certain Restricted Shares held by a Grantee but not with respect to others; provided, that after the Restricted Shares have been granted, the Committee may not defer the expiration of the Restriction Period applicable to such Restricted Shares.

(n) "Retirement" means retirement from the Corporation or a Subsidiary pursuant to the provisions of the Interpublic Retirement Account Plan (or, if applicable, the provisions of a pension plan of a Subsidiary), as amended from time to time.

(o) "Subsidiary" means a subsidiary of the Corporation that meets the definition of a "subsidiary corporation" in Section 424(f) of the Internal Revenue Code of 1986, as amended.

IV. ADMINISTRATION OF THE PLAN.

The Plan shall be administered by a committee (the "Committee") of at least two directors each of whom is a "disinterested person" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. Members of the Committee shall be appointed by and shall serve at the pleasure of the Board. No member of the Committee shall be eligible to receive an Award under the Plan.

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

shares of the Corporation's Common Stock pursuant to the exercise of an Option granted under the Plan or in connection with the grant of Restricted Shares under the Plan.

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

V. CAPITAL STOCK SUBJECT TO AWARDS.

A. Shares Available Under the Plan.

The aggregate number of shares of Common Stock that may be issued pursuant to Awards granted under the Plan shall not exceed 25,000,000, which number of shares is subject to adjustment as hereinafter provided in Article XI. Shares of Common Stock issued pursuant to Awards shall be provided from shares in the Corporation's treasury or from shares authorized but unissued. If an Option as to any shares is surrendered before exercise, or expires or terminates for any reason without having been exercised in full, or for any other reason ceases to be exercisable, the number of unpurchased shares covered thereby shall become available for the granting of Awards under the Plan (unless the Plan has been terminated) within the aggregate maximum stated above. Similarly, if any shares of Common Stock are returned to the Corporation pursuant to Paragraph B of Article IX or pursuant to restrictions set forth in the instrument evidencing the grant of Restricted Shares, such shares shall become available for the granting of Awards under the Plan (unless the Plan has been terminated) within the aggregate maximum stated above.

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B. Limitations On Awards.

During the term of the Plan, Awards of Restricted Shares and Awards of Options to any Grantee shall not exceed in the aggregate 3,750,000 shares of Common Stock.

During the term of the Plan, no more than forty percent (40%) of the shares of Common Stock reserved for issuance under Paragraph A of this Section V shall be available for Awards of Restricted Shares.

VI. ELIGIBILITY.

The individuals eligible to receive Awards shall be those Employees who are not members of the Committee and who are determined by the Committee to be key employees of the Corporation and its Subsidiaries.

VII. DESIGNATION OF GRANTEES.

Subject to the provisions of the Plan, the Committee shall determine from time to time which of those eligible Employees will be granted Awards under the Plan, how many shares of Common Stock may be purchased under each Option, and how many Restricted Shares may be granted pursuant to each grant of Restricted Shares. In making such determinations, the Committee shall take into account the duties and responsibilities of each Employee, his or her present and potential contributions to the growth and success of the Corporation or of a Subsidiary, and such other factors as the Committee shall deem consistent with the purposes of the Plan. The Committee shall not be precluded from granting an Award to any eligible Employee solely because such Employee has previously received an Award under the Plan. With respect to grants of Options to acquire 10,000 or fewer shares of Common Stock of the Corporation, and with respect to awards of not more than

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3,000 Restricted Shares, the Corporation's Management Human Resources Committee may exercise the powers of the Committee set forth in this Article, in the first paragraph of Paragraph D of Article VIII, and in the first sentence only of Section (m) of Article III, provided that no Option may be granted or Restricted Shares awarded by the Management Human Resources Committee to an individual who is subject to Section 16 of the Securities Exchange Act of 1934, as amended.

VIII. TERMS OF OPTIONS.

Each Option granted under the Plan shall state that it shall not be treated as an incentive stock option for purposes of Section 422 of the Internal Revenue Code of 1986, as amended from time to time, or any successor provision, and shall be subject to the following terms and conditions:

A. Number of Shares and Option Price.

Each Option shall state the total number of shares of Common Stock to which it pertains. The purchase price for shares subject to the Option shall be not less than one hundred percent (100%) of the fair market value of the Common Stock of the Corporation at the time such Option is granted.

B. Duration of Option.

No Option shall be exercisable after the expiration of ten years from the date on which it is granted, or of such shorter term as the Committee may establish for any or all shares subject to such Option. Except as provided in this Paragraph B, an Option shall terminate on the date on which the Grantee ceases to be employed by the Corporation or a Subsidiary.

If a Grantee ceases to be employed by the Corporation or a Subsidiary owing to his or her Disability or Retirement, he or she may, at any time within three years after his or her employment ceases, exercise any Option to

the extent that he or she was entitled to exercise it on the date his or her employment ceased; but in no event shall any Option be exercisable after the expiration of the term of the Option established in accordance with the first sentence of this Paragraph B.

If a Grantee dies while in the employ of the Corporation or a Subsidiary (or if he or she dies within three years after he or she has ceased to be employed by the Corporation or a Subsidiary owing to his or her Disability or Retirement), and the Grantee has not fully exercised all of his or her Options at the time of his or her death, his or her personal representative, or those persons who receive the Options by bequest or inheritance, shall have the right, during the one-year period following his or her death, to exercise such Options. An Option shall be exercisable during such one-year period only for that number of shares, if any, that the Grantee could have purchased under such Option on the date of his or her death. In no event shall any Option be exercisable after the expiration of the term of the Option established in accordance with the first sentence of this Paragraph B.

If a Grantee ceases to be employed by the Corporation or a Subsidiary owing to his or her Disability or Retirement, or if a Grantee dies while in the employ of the Corporation or a Subsidiary, the Committee may provide, on a case by case basis, for the exercise of all or part of any Option held by the Grantee, whether or not he or she was entitled to exercise it on the date that his or her employment ceased or death occurred; provided, however, that no such determination shall permit an Option to be exercised within one year following its grant.

C. Nonassignability.

Options shall not be transferable other than by will or by the laws of descent and distribution. During a Grantee's lifetime, Options shall be exercisable only by such Grantee.

D. Limitations on Exercise of Options.

An Option may not be exercised in whole or in part during the twelve-month period commencing with the date on which it was granted; thereafter it shall become exercisable on such schedule as is determined by the Committee at the time of the grant or as otherwise provided by the Plan.

At the time an Option is granted or at any time thereafter, the Committee may stipulate that, if a Change of Control occurs, the limitations set forth above in this Paragraph D shall lapse with respect to such Option, and that such Option shall be immediately exercisable.

To the extent that any portion of an Option has become exercisable, it may thereafter be exercised at any time prior to the expiration or earlier termination of the Option. Notwithstanding the foregoing, no Option shall be exercisable by a Grantee at a time when the Grantee is not employed by the Corporation or by a Subsidiary except to the extent permitted by Paragraph B of this Article.

E. Manner of Exercise.

Subject to the provisions of Paragraph D of this Article, an Option may be exercised at one time or from time to time, except that each partial exercise of an Option shall be for 50 shares or a multiple thereof, or, if fewer than 50 shares remain outstanding under the Option, for all the remaining shares. The procedures for exercise shall be set forth in the written Option certificate provided for in Paragraph I of this Article.

F. Payment for Shares.

Payment in full of the purchase price for the shares purchased pursuant to the exercise of any Option shall be made in cash upon exercise of the Option. All shares sold under the Plan pursuant to the exercise of an Option shall be fully paid and nonassessable.

G. Payment of Withholding Taxes.

Payment in full of any federal, state, or local taxes of any kind required by law to be withheld with respect to the exercise of the Option shall be made to the Corporation in cash upon exercise of the Option. A Grantee may irrevocably elect to have any withholding tax obligation satisfied by (i) having the Corporation withhold shares otherwise deliverable to the Grantee with respect to the exercise of the Option, or (ii) delivering to the Corporation shares received upon the exercise of the Option or delivering to the Corporation other shares of Common Stock; provided, that the Committee may, in its sole discretion, disapprove any such election.

H. Voting and Dividend Rights.

No Grantee of an Option shall have any voting or dividend rights or any other rights of a stockholder with respect to any shares of Common Stock covered by an Option before he or she exercises the Option with respect to such shares and his or her name is recorded on the Corporation's stockholder ledger as the holder of record of such shares.

I. Option Certificates.

The proper officers of the Corporation shall execute and deliver written Option certificates, which shall contain such provisions as are expressly provided herein and such additional provisions as the Committee in each instance shall deem appropriate and not inconsistent with any of the express provisions of the Plan.

IX. RESTRICTED SHARES.

Each Restricted Share granted under the Plan shall be subject to the following terms and conditions, and to such additional terms and conditions as the Committee shall deem appropriate; provided that none of these additional terms and conditions shall be more favorable to a Grantee than the terms and conditions set forth herein.

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A. Rights with Respect to Shares.

A Grantee to whom Restricted Shares have been granted shall have absolute ownership of such shares, including the right to vote the same and to receive dividends thereon, subject, however, to the terms, conditions, and restrictions described in the Plan and in the instrument evidencing the grant of the Restricted Shares to such Grantee. The Grantee's absolute ownership shall become effective only after he or she has received a certificate or certificates for the number of shares of Common Stock awarded, or after he or she has received notification that such certificate or certificates are being held in custody for him or her.

B. Restrictions.

Until the restrictions set forth in this Paragraph B shall lapse pursuant to Paragraph C or D of this Article IX, Restricted Shares shall be subject to the following conditions:

(i) Restricted Shares shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of; and

(ii) If the Grantee ceases to be an Employee for any reason, except as provided in Paragraph D of the Article, any Restricted Shares that had been delivered to, or held in custody for, the Grantee shall be returned to the Corporation forthwith, and all the rights of the Grantee with respect to such shares shall immediately terminate without any payment of consideration by the Corporation. If the Grantee's interest in the Restricted Shares shall be terminated pursuant to this clause (ii), he or she shall forthwith deliver to the Secretary or any Assistant Secretary of the Corporation the certificates for such shares, accompanied by such instrument of transfer as may be required by the Secretary or any Assistant Secretary of the Corporation.

C. Lapse of Restrictions.

Except as provided below with respect to a Change of Control and as set forth in Paragraph D hereof, the restrictions set forth in Paragraph B hereof, shall lapse at the end of the Restriction Period.

At the time Restricted Shares are granted or at any time thereafter, the Committee may stipulate that the restrictions set forth in Paragraph B hereof shall lapse with respect to such Restricted Shares if a Change of Control occurs.

D. Termination of Employment.

Any provision of Paragraph B hereof to the contrary notwithstanding, if a Grantee has been in the continuous employment of the Corporation or of any Subsidiary for more than one year from the date on which one or more Restricted Shares were granted to him or her and if such Grantee shall die or incur a Disability while so employed, then the restrictions set forth in Paragraph B shall lapse on the date of the Grantee's death or Disability with respect to a fraction of the Restricted Shares awarded to such Grantee. The numerator of the fraction shall be the number of months that have elapsed since the Restricted Shares were granted, and the denominator of the fraction shall be the number of months in the Restriction Period; provided that in the case of a fractional month, a period of 15 days or more shall be treated as a full month, and a period of less than 15 days shall be disregarded.

Any provision of Paragraph B hereof to the contrary notwithstanding, if a Grantee has been in the continuous employment of the Corporation or of any Subsidiary for more than one year from the date on which one or more Restricted Shares were granted to him or her, and if the employment of the Grantee by the Corporation or of any Subsidiary shall terminate for any reason, then the Management Human Resources Committee of the Corporation may, but is not under any obligation to, recommend to the Committee that the restrictions set forth in Paragraph B should lapse. The Committee in its sole discretion may provide, on a case-by-case basis, that the restrictions set forth in Paragraph B shall lapse.

E. Agreement by Grantee Regarding Withholding Taxes.

Each Grantee who receives one or more Restricted Shares shall agree that, subject to the provisions of Paragraph B hereof:

(i) No later than the date of the lapse of the restrictions set forth in Paragraph B hereof (and any additional restrictions set forth in the instrument evidencing the grant of the Restricted Shares) he or she will pay to the Corporation, or make arrangements satisfactory to the Committee regarding payment of, any federal, state, or local taxes of any kind required by law to be withheld with respect to the Restricted Shares, and

(ii) The Corporation and its Subsidiaries shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due to the Grantee any federal, state, or local taxes of any kind required by law to be withheld with respect to the Restricted Shares.

A Grantee may irrevocably elect to have any withholding tax obligation satisfied by (a) having the Corporation withhold shares otherwise deliverable to the Grantee in connection with the grant of Restricted Shares, or (b) delivering to the Corporation such Restricted Shares or delivering to the Corporation other shares of Common Stock; provided, that the Committee may, in its sole discretion, disapprove any such election.

F. Tax Assistance Payments.

When the restrictions set forth in Paragraph B hereof, or in the instrument evidencing the grant of the Restricted Shares, lapse, the Committee may, in its discretion, direct the Corporation to make cash payments to assist the Grantee in satisfying his federal income tax liability with respect to the Restricted Shares. Such payments may be made only to those Grantees whose performance the Committee determines to have been fully satisfactory between the date on which the

Restricted Shares were granted and the date on which such restrictions lapse. The Committee may, in its discretion, estimate the amount of the federal income tax in accordance with methods or criteria uniformly applied to Grantees similarly situated, without regard to the individual circumstances of a particular Grantee.

G. Election to Recognize Gross Income in Year of Grant.

If a Grantee properly elects, within 30 days of the date of grant of a Restricted Share, to include in gross income for federal income tax purposes an amount equal to the fair market value of the shares of Common Stock awarded on the date of grant, he or she shall make arrangements satisfactory to the Committee to pay in the year of such grant any federal, state, or local taxes required to be withheld with respect to such shares. If he or she shall fail to make the payments, the Corporation and its Subsidiaries shall, to the extent permitted by law, have the right to deduct from any payments of any kind otherwise due to the Grantee any federal, state, or local taxes of any kind required by law to be withheld with respect to such shares of Common Stock.

H. Restrictive Legends; Certificates May be Held in Custody.

Certificates evidencing Restricted Shares shall bear an appropriate legend referring to the terms, conditions, and restrictions described in the Plan and in the instrument evidencing the grant of the Restricted Shares. Any attempt to dispose of such Restricted Shares in contravention of the terms, conditions, and restrictions described in the Plan or in the instrument evidencing the grant of the Restricted Shares shall be ineffective. The Committee may enact rules that provide that the certificates evidencing such shares may be held in custody by a bank or other institution, or that the Corporation may itself hold such shares in custody, until the restrictions thereon shall have lapsed.

I. Foreign Laws.

Notwithstanding any provisions of the Plan to the contrary, including but not limited to Articles VI and VII and Paragraphs A and B(i) of Article IX, if Restricted Shares are to be awarded to a Grantee who is subject to the laws, including but not limited to the tax laws, of any country other than the United States, the Committee may, in its discretion, direct the Corporation to sell, assign, or otherwise transfer the Restricted Shares to a trust or other entity or arrangement, rather than grant the Restricted Shares directly to the Grantee, in order to comply with such laws or to assure that the Grantee qualifies for tax treatment that is comparable to the tax treatment accorded to the recipients of Restricted Shares by the tax laws of the United States or for tax treatment that is made available by the laws of such country.

X. COMPLIANCE WITH LAW AND OTHER CONDITIONS.

A. Restrictions on Grant of Awards.

The listing on the New York Stock Exchange or the registration or qualification under any federal or state law of any shares of Common Stock to be awarded or sold pursuant to Awards may be necessary or desirable as a condition of or in connection with such Awards (in order to permit the exercise of Options, the awarding of Restricted Shares, or the resale or other disposition of any shares of Common Stock by or on behalf of the Grantees). If the Board in its sole discretion determines that such listing, registration, or qualification is necessary or desirable, delivery of the certificates for such shares of Common Stock shall not be made until such listing, registration, or qualification shall have been completed. The Corporation agrees that it will use its best efforts to effect any such listing, registration, or qualification; provided, however, that the Corporation shall not be required to use its best efforts to effect such registration under the Securities Act of 1933

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other than by providing the information called for by Form S-3 and Form S-8, as presently in effect, or such other forms as may be in effect from time to time calling for information comparable to that presently required to be furnished under Form S-3 and Form S-8.

B. Restrictions on Resale of Unregistered Shares.

If the shares of Common Stock that have been awarded or sold to a Grantee pursuant to the terms of the Plan are not registered under the Securities Act of 1933, as amended, pursuant to an effective registration statement, such Grantee may be required, if the Committee shall deem it advisable, to agree in writing (i) that any shares of Common Stock acquired by such Grantee pursuant to the Plan will not be sold except pursuant to an effective registration statement under the Securities Act of 1933, as amended, or pursuant to an exemption from registration under said Act, and (ii) that such Grantee is acquiring such shares of Common Stock for his or her own account and not with a view to the distribution thereof.

XI. ADJUSTMENTS.

The number of shares of Common Stock of the Corporation reserved for Awards under the Plan, the number of shares comprising outstanding Awards, the number of shares permitted to be granted to any Grantee during the term of the Plan as set forth in Section V(B) hereof, and in the case of outstanding Options, the exercise price shall be subject to adjustment by the Committee, in its sole discretion, to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares or other similar event. All determinations made by the Committee with respect to adjustments under this Article XI shall be conclusive and binding for all purposes of the Plan.

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XII. MISCELLANEOUS PROVISIONS.

A. No Right to Receive Award.

Nothing in the Plan shall be construed to give any Employee any right to receive an Award under the Plan.

B. Effect of Stock Splits, etc. on Restricted Shares.

Any shares of Common Stock of the Corporation received by a Grantee as a stock dividend on Restricted Shares, or as a result of stock splits, combinations, exchanges of shares, reorganizations, mergers, consolidations, or other events affecting Restricted Shares, shall have the same status, be subject to the same restrictions, and bear the same legend as the shares with respect to which they were issued.

C. Expenses of Plan.

The expenses of the Plan shall be borne by the Corporation.

XIII. AMENDMENT, SUSPENSION, OR TERMINATION.

A. Amendment.

The Plan may be amended at any time and from time to time by the Board, but no amendment that increases the aggregate number of shares of Common Stock that may be granted pursuant to the Plan or that extends the period during which Awards may be granted under the Plan shall be effective unless and until the same is approved, at a meeting held to take such action at which a quorum is present, by the affirmative vote of the holders of a majority of the shares of Common Stock of the Corporation present in person or by proxy and entitled to vote. Without the written consent of a Grantee, no amendment of the Plan shall adversely affect any right of such Grantee with respect to any Award theretofore granted to him or to her.

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B. Right of Board to Suspend or Terminate Plan.

The Board may at any time suspend or terminate the Plan. No Awards may be granted during any suspension of the Plan or after the Plan has been terminated.

C. Termination of Plan.

The Plan shall terminate upon the earlier of the following dates:

(i) On the date of termination specified in a resolution of the Board, or

(ii) On a date ten years from the date on which the Plan is approved by the stockholders of the Corporation in accordance with Article XV hereof.

Except as otherwise provided in Article XV, the termination of the Plan shall not affect any Awards previously granted. After the Plan terminates, the function of the Committee will be limited to supervising the administration of Awards previously granted.

XIV. GOVERNING LAW.

The Plan and all Awards made thereunder shall be governed by the laws of the State of New York.

XV. ADOPTION BY BOARD AND APPROVAL BY STOCKHOLDERS.

The Plan shall become effective upon its adoption by the Board; provided, however, that if the Plan is not approved by the stockholders of the Corporation prior to the first anniversary of its adoption, the Plan and all Awards made thereunder shall be of no effect. Stockholder approval shall be obtained, at a meeting held to take such action at which a quorum is present, by the affirmative vote of the holders of a majority of the shares of Common Stock of the Corporation present in person or by proxy and entitled to vote.

THE INTERPUBLIC OUTSIDE DIRECTORS' STOCK INCENTIVE PLAN

ARTICLE I

INTRODUCTION

1.1 Name of Plan. The name of the Plan is the "Interpublic Outside Directors' Stock Incentive Plan."

1.2 Purpose of Plan. The Plan is being established to attract, retain and compensate for service highly qualified individuals to serve as members of the Board of Directors of the Corporation, but not current employees of the Corporation or any of its Subsidiaries, and to enable them to increase their ownership in the Corporation's Common Stock. The Plan will be beneficial to the Corporation and its stockholders since it will allow these directors to have a greater personal financial stake in the Corporation through the ownership of the Corporation's Common Stock, in addition to strengthening their common interest with stockholders in increasing the value of the Corporation's Common Stock longer term.

1.3 Effective Date. The effective date of the Plan is June 1, 1994, or such later date as stockholder approval is obtained.

ARTICLE II

DEFINITIONS

When used in capitalized form in the Plan, the following term shall have the following meanings, unless the context clearly indicates otherwise:

Act. "Act" means the Securities Exchange Act of 1934, as currently in effect or hereafter amended.

Committee. "Committee" means the directors of the Corporation who are not Outside Directors.

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Common Stock. "Common Stock" means shares of the Corporation's \$.10 par value common stock.

Corporation. "Corporation" means The Interpublic Group of Companies, Inc.

Fair Market Value. "Fair Market Value" means the mean of the high and low prices at which the Common Stock of the Corporation is traded on the date in question, as reported on the composite tape for New York Stock Exchange issues.

Option. "Option" means a right to purchase Common Stock under the Plan.

Option Period. "Option Period" means the period beginning on the third anniversary of the date of grant of an Option and ending on the tenth anniversary of the date of grant.

Outside Directors. "Outside Directors" means members of the Board of Directors of the Corporation who are not employees of the Corporation or any of its Subsidiaries.

Plan. "Plan" means the Interpublic Outside Directors' Stock Incentive Plan, as amended from time to time.

Restricted Shares. "Restricted Shares" means shares of Common Stock granted pursuant to Article VIII hereof and subject to the restrictions and other terms and conditions set forth in the Plan.

Restriction Period. "Restriction Period" with respect to any Restricted Shares means the period beginning on the date on which such Restricted Shares are granted and ending on the fifth anniversary of the date of grant.

Subsidiary. "Subsidiary" means a subsidiary of the Corporation that meets the definition of a "subsidiary corporation" in Section 424(f) of the Internal Revenue Code of 1986, as amended.

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ARTICLE III

ELIGIBILITY

3.1 Condition. An individual who is an Outside Director on or after June 1, 1994 shall be eligible to participate in the Plan.

ARTICLE IV

SHARES AVAILABLE

4.1 Number of Shares Available. An aggregate of Two Hundred Thousand (200,000) shares of Common Stock are available for issuance under the Plan pursuant to awards of Options and Restricted Shares. Such shares of Common Stock may be authorized but unissued shares, treasury shares, or shares purchased on the open market.

4.2 Adjustments. The number of shares of Common Stock of the Corporation reserved for awards of Options and Restricted Shares under the Plan, the number of shares comprising awards of Restricted Shares, and the exercise price and the number of shares issuable under any outstanding Options, shall be subject to proportionate adjustment by the Committee to the extent required to prevent dilution or enlargement of the rights of the grantee in the event of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares or other similar event. All determinations made by the Committee with respect to adjustment under this Section 4.2 shall be conclusive and binding for all purposes of the Plan.

4.3 Effect of Stock Splits, etc. on Restricted Shares. Any shares of Common Stock of the Corporation received by a grantee as a stock dividend on Restricted Shares, or as a result of stock splits, combinations, exchanges of shares, reorganizations, mergers, consolidations, or other events affecting Restricted Shares, shall have the same status, be subject to the same restrictions, and bear the same legend as the shares with respect to which they were issued.

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ARTICLE V

GRANTS OF OPTIONS

5.1 Options. The only types of options which may be granted under the Plan are non-qualified stock options.

5.2 Annual Grant. Each year on the first Friday in the month of June, each Outside Director then serving shall automatically receive an Option covering the whole number of shares of Common stock of the Corporation that have an aggregate Fair Market Value on the date of grant of \$30,000, or if no whole number of shares has such an aggregate Fair Market Value then that whole number of shares having a Fair Market Value not in excess of \$30,000. Notwithstanding the foregoing, if, on that first Friday, the General Counsel of the Corporation determines, in his or her sole discretion, that the Corporation is in possession of material, undisclosed information about the Corporation, then the annual grant of Options to Outside Directors shall be suspended until the second day after public dissemination of such information. If Common Stock of the Corporation is not traded on the New York Stock Exchange on any date a grant would otherwise be made, then the grant shall be made as of the next day thereafter on which Common Stock of the Corporation is so traded.

5.3 Option Price. The exercise price per share of the Option shall be the Fair Market Value of the Common Stock on the date of the grant.

ARTICLE VI

OPTION PERIOD

6.1 Duration. An Option granted under the Plan shall become exercisable three years after the date of grant and shall expire ten years after the date of grant, unless it is sooner terminated pursuant to Section 9.1 of the Plan.

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ARTICLE VII

PAYMENT UPON EXERCISE OF OPTIONS

7.1 Exercise Price. The exercise price of an Option shall be paid in cash in U.S. Dollars on the date of exercise.

ARTICLE VIII

RESTRICTED SHARES

8.1 Grants. On the first Friday in June 1996, and on the first Friday in June every five years thereafter during the term of the Plan, the Corporation shall grant Two Thousand (2,000) Restricted Shares to each person who is serving as an Outside Director as of such date.

8.2 Additional Restrictions. Each Restricted Share granted under the Plan shall be subject to the following terms and conditions:

A. Rights with Respect to Shares.

A grantee to whom Restricted Shares have been granted under the plan shall have absolute ownership of such shares, including the right to vote the same and to receive dividends thereon, subject, however, to the terms, conditions, and restrictions described in the Plan. The grantee's absolute ownership shall become effective only after he or she has received a certificate or certificates for the number of shares of Common Stock awarded, or after he or she has received notification that such certificate or certificates are being held in custody for him or her.

B. Restrictions.

Until the expiration of the Restriction Period therefor, Restricted Shares shall be subject to the following conditions:

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(i) Restricted Shares shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of; and

(ii) if the grantee ceases to serve as an Outside Director for any reason, then, except as otherwise provided in Section 9.2 of the Plan, any Restricted Shares for which the Restriction Period has not lapsed that had been delivered to, or held in custody for, the grantee shall be returned to the Corporation forthwith, and all the rights of the grantee with respect to such shares shall be immediately terminate without any payment of consideration by the Corporation.

C. Lapse of Restrictions.

Except as otherwise set forth in Section 9.2 of the Plan, the restrictions set forth in Paragraph B of this Section 8.2 for Restricted Shares shall lapse at the end of the Restriction Period with respect to such shares.

D. Tax Assistance Payments.

When the restrictions set forth in Paragraph B hereof lapse, the Committee may, in its discretion, direct the Corporation to make cash payments to assist the grantee in satisfying his federal income tax liability with respect to the Restricted Shares. Such payments may be made only to those grantees whose performance the Committee determines to have been fully satisfactory between the date on which the Restricted Shares were granted and the date on which such restrictions lapse. The Committee may, in its discretion, estimate the amount of the federal income tax in accordance with methods or criteria uniformly applied to grantees similarly situated, without regard to the individual circumstances of a particular grantee.

E. Restrictive Legends; Certificates May Be Held in Custody.

Certificates evidencing Restricted Shares shall bear an appropriate legend referring to the terms, conditions, and restrictions described in the Plan. Any attempt to dispose of such Restricted Shares in contravention of the terms, conditions,

and restrictions described in the Plan shall be ineffective. The Committee may enact rules that provide that the certificates evidencing such shares may be held in custody by a bank or other institution, or that the Corporation may itself hold such shares in custody, until the restrictions thereon shall have lapsed.

ARTICLE IX

CESSATION OF SERVICE, RETIREMENT, DEATH

9.1 Options.

A. Options Granted Prior to June 1, 1996.

(i) With respect to each grantee who was first elected or appointed as an Outside Director on or after January 1, 1995, and who ceases to be an Outside Director for any reason other than death, Options which have been granted prior to June 1, 1996 and which are exercisable on the date of cessation of service shall continue to be exercisable by the grantee for ninety days following the date of cessation of service, but in no event after the expiration of the Option Period.

(ii) With respect to each grantee who was first elected or appointed as an Outside Director prior to January 1, 1995: (A) if such grantee ceases to serve as an Outside Director (other than because of his or her death) and, as of the date of such cessation of service is eligible for a benefit under the Interpublic Outside Directors' Pension Plan, Options which have been granted prior to June 1, 1996 and which are exercisable on the date of cessation of service shall continue to be exercisable by the grantee for sixty months following the date of retirement from the Board, but in no event after the expiration of the Option Period, and (B) if such grantee ceases to serve as an Outside Director (other than because of his or her death) and, as of the date of such cessation of service is not eligible for a benefit under the Interpublic Outside Directors' Pension Plan, Options which have been granted prior to June 1, 1996 and which are exercisable on the date of cessation of service shall continue to be exercisable by the grantee for ninety days following cessation of service, but in no event after the expiration of the Option Period.

(iii) Upon the death of a grantee while serving as an Outside Director, Options which have been granted prior to June 1, 1996 and which are exercisable on the date of death shall be exercisable thirty-six months from date of death, but in no event after expiration of the Option Period, by the grantee's legal representatives, heirs or beneficiaries.

B. Options Granted on or after June 1, 1996.

With respect to each grantee who receives a grant of Options on or after June 1, 1996, and who ceases to be an Outside Director for any reason (including without limitation death), such Options which have been granted on or after June 1, 1996 and which are exercisable on the date of cessation of service shall continue to be exercisable by the grantee or the grantee's legal representatives, heirs or beneficiaries for thirty-six months following the date of cessation of service, but in no event after the expiration of the Option Period.

9.2 Restricted Shares. Upon a grantee's cessation of service as an Outside Director for any reason (including death) on or after the first anniversary of the date on which the Restricted Shares were granted, the Restriction Period shall lapse on the date of the grantee's cessation of service with respect to a fraction of the Restricted Shares awarded to such grantee. The numerator of the fraction shall be the number of months that have elapsed since the Restricted Shares were granted, and the denominator of the fraction shall be the number of months in the Restriction Period; provided that in the case of a fractional month, a period of 15 days or more shall be treated as a full month, and a period of less than 15 days shall be disregarded.

9.3 Forfeiture.

A. If an Option is not exercisable on the date on which the grantee ceases to serve as an Outside Director, or if an Option is not exercised in full before it ceases to be exercisable in accordance with Article VI hereof and the preceding provisions of this Article IX, the Option shall, to the extent not previously exercised, thereupon be forfeited.

B. If a grantee's interest in any Restricted Shares shall be terminated pursuant to Section 8.2B of the Plan, he or she shall forthwith deliver to the Secretary or any Assistant Secretary of the Corporation the certificates for such shares, accompanied by such instrument of transfer as may be required by the Secretary or any Assistant Secretary of the Corporation.

ARTICLE x

ADMINISTRATION, AMENDMENT AND TERMINATION OF THE PLAN

10.1 Administration. The Plan shall be administered by the Committee.

10.2 Amendment and Termination. The Plan may be terminated or amended by the Committee as it deems advisable. However, an amendment revising the size or frequency of awards of Options or Restricted Shares, the duration of the Restriction Periods for Restricted Shares, or the exercise price, date of exercisability or Option Period of an Option shall not be made more frequently than every six months unless necessary to comply with the Internal Revenue Code of 1986, as amended. No amendment may revoke or alter in a manner unfavorable to the grantee any Options or Restricted Shares then outstanding, nor may the Committee amend the Plan without stockholder approval where the absence of such approval would cause the Plan to fail to comply with Rule 16b-3 under the Act or any other requirement of any applicable law or regulation.

10.3 Expiration of the Plan. Options or Restricted Shares may not be granted under the Plan after June 7, 2004, but Options granted prior to that date shall continue to become exercisable and may be exercised according to the terms of the Plan.

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ARTICLE XI

NONTRANSFERABILITY

11.1 Options Not Transferable. No Options granted under the Plan are transferable other than by will or the laws of the descent and distribution. During the grantee's lifetime, an Option may be exercised only by the grantee or the grantee's guardian or legal representative.

ARTICLE XII

COMPLIANCE WITH SEC REGULATIONS

12.1 Rule 16b-3. It is the Corporation's intent that the Plan comply in all respects with new Rule 16b-3 under the Act and that the Plan qualify as a formula plan meeting the conditions of paragraph (c)(2)(ii) of new Rule 16b-3. If any provision of the Plan is found not to be in compliance with the Rule, or the Plan is found not to qualify as such formula plan, any provision which is not in compliance or does not qualify shall be deemed to be null and void. All grants and exercises of Options, and grants of Restricted Shares, under the Plan shall be executed in accordance with the requirements of Section 16 of the Act and any regulations promulgated thereunder.

ARTICLE XIII

RIGHTS OF DIRECTORS

13.1 Rights to Awards. Except as provided in the Plan, no Outside Director shall have any claim or right to be granted an award under the Plan. Neither the Plan nor any action thereunder shall be construed as giving any Outside Director any right to be retained in the services of the Corporation in any capacity.

CREDIT AGREEMENT

BETWEEN

THE INTERPUBLIC GROUP OF COMPANIES, INC.

AND

CHEMICAL BANK

 US\$10,000,000

Dated as of June 25, 1996

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AGREEMENT dated as of June 25, 1996 between THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), and CHEMICAL BANK (the "Bank").

SECTION I
INTERPRETATIONS AND DEFINITIONS

1.1 Definitions. The following terms, as used herein, shall have the following respective meanings:

"Adjusted CD Rate" has the meaning set forth in Section 2.5(b) hereof.

"Adjusted London Interbank Offered Rate" has the meaning set forth in Section 2.5(c) hereof.

"Applicable Lending Office" means, with respect to the Bank, (i) in the case of Domestic Loans, its Domestic Lending Office and (ii) in the case of Eurodollar Loans, its Eurodollar Lending Office.

"Assessment Rate" has the meaning set forth in Section 2.5(b) hereof.

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the rate established from time to time by the Bank in the United States as its prime or reference rate of interest, changes in which are to be effective from the opening of business on the day such change is made and (ii) the sum of (A) .5% plus (B) the overnight federal funds rate for such day as published in the weekly statistical release designated by the Board of Governors of the Federal Reserve System as "H.15(519)" (or any successor publication thereto).

"Base Rate Loan" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a Base Rate Loan.

"Benefit Arrangement" means, at any time, an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Cash Flow" means the sum of net income of the Borrower and its Consolidated Subsidiaries (plus any amount by which net income has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid), depreciation expenses, amortization costs and changes in deferred taxes, provided that such sum shall not be adjusted for any increase or decrease in deferred taxes

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resulting from Quest & Associates, Inc., a Subsidiary of the Borrower, investing in a portfolio of computer equipment leases (it being understood that such increase or decrease in deferred taxes relating to such investment shall not exceed \$25,000,000).

"CD Base Rate" has the meaning set forth in Section 2.5(b) hereof.

"CD Loan" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a CD Loan.

"CD Margin" has the meaning set forth in Section 2.5(b) hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"Commitment" means the obligation of the Bank to lend the amount set forth in Section 2.1 hereof, as such amount may be reduced from time to time pursuant to Section 2.7 hereof.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Borrower in its consolidated financial statements as of such date.

"Consolidated Net Worth" means at any date the consolidated stockholders' equity of the Borrower and its Consolidated Subsidiaries as such appear on the financial statements of the Borrower determined in accordance with generally accepted accounting principles (plus any amount by which retained earnings has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid and without taking into account the effect of cumulative currency translation adjustments).

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, including reimbursement obligations for letters of credit, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under capital leases, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vi) all Debt of others Guaranteed by such Person, but in each case specified in (i) through (vi) excludes obligations arising in connection with securities repurchase transactions.

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"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time, or both, would become an Event of Default.

"Dollars" and the sign "\$" mean lawful money of the United States of America.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized by law to close.

"Domestic Lending Office" means the principal office of the Bank located at the address set forth on the signature pages hereof for its Domestic Lending Office, or such other branch (or affiliate) located within the United States as the Bank may hereafter designate as its Domestic Lending Office.

"Domestic Loans" means CD Loans or Base Rate Loans or both.

"Domestic Reserve Percentage" has the meaning set forth in Section 2.5(b) hereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Group" means the Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414(b) or (c) of the Code.

"Eurodollar Business Day" means any Domestic Business Day on which commercial banks in London are open for international business (including dealings in Dollar deposits).

"Eurodollar Lending Office" means the office of the Bank located at the address set forth on the signature pages hereof for its Eurodollar Lending Office, or such other branch (or affiliate) of the Bank as it may hereafter designate as its Eurodollar Lending Office.

"Eurodollar Loan" means a Loan which the Borrower specifies pursuant to Section 2.2 hereof shall be a Eurodollar Loan.

"Eurodollar Margin" has the meaning set forth in Section 2.5(c) hereof.

"Eurodollar Reserve Percentage" has the meaning set forth in Section 2.5(c) hereof.

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"Event of Default" has the meaning set forth in Section 7 hereof.

"Fixed CD Rate" has the meaning set forth in Section 2.5(b) hereof.

"Fixed Rate Loans" means CD Loans, Eurodollar Loans or Money Market Rate Loans.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Interest Period" means: (1) with respect to each CD Loan, at the Borrower's option, the period commencing on the date of such Loan and ending 30, 60, 90 or 180 days thereafter, (2) with respect to each Eurodollar Loan, at the Borrower's option, the period commencing on the date of such Loan and ending one, two, three or six months thereafter and (3) with respect to each Base Rate Loan the period commencing on the date of such Loan and ending 30 days thereafter provided, that:

(a) any Interest Period which would otherwise end on a day which is not a Eurodollar Business Day shall be extended to the next succeeding Eurodollar Business Day unless with respect to a Eurodollar Loan such Eurodollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Eurodollar Business Day;

(b) with respect to a Eurodollar Loan, any Interest Period which begins on the last Eurodollar Business Day of the calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Eurodollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date;

provided further, however, that if any such Interest Period shall be less than 30 days, the Loan for such Interest Period shall be a Base Rate Loan.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind in respect of such asset. For purposes of this Agreement, the Borrower or any subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" and "Loans" means a Domestic Loan, a Eurodollar Loan, or a Money Market Rate Loan, as the context may require.

"London Interbank Offered Rate" has the meaning set forth in Section 2.5(c) hereof.

"Material Plan" means at any time a Plan or Plans having aggregate unfunded benefit liabilities (within the meaning of Section 4001(a)(18) of ERISA) in excess of \$25,000,000.

"Money Market Rate Loan" means a Loan made by the Bank to the Borrower pursuant to Section 2.5(d) hereof.

"Multiemployer Plan" means at any time an employee pension benefit plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Note" or "Notes" means the promissory note of the Borrower, substantially in the form of Exhibits A and B hereto evidencing the obligation of the Borrower to repay the Loans.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Participant" has the meaning set forth in Section 8.3.

"Person" means an individual, a corporation, a partnership, an association, a business trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

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"Plan" means at any time a defined benefit pension plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Significant Subsidiary" or "Significant Group of Subsidiaries" at any time of determination means any Consolidated Subsidiary or group of Consolidated Subsidiaries, respectively, which, individually or in the aggregate, together with its or their subsidiaries, accounts or account for more than 10% of the consolidated gross revenues of the Borrower and its Consolidated Subsidiaries for the most recently ended fiscal year or for more than 10% of the total assets of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year; provided that in connection with any determination with respect to a Significant Group of Subsidiaries under (x) Section 7(f), there shall be a payment default, failure or other event (of the type described therein but without regard to the principal amount of such obligation) of each Consolidated Subsidiary included in such group, (y) Sections 7(g) and (h) and the last sentence of Section 6.10, the condition or event described therein shall exist with respect to each Consolidated Subsidiary included in such group or (z) Section 7(j), there shall be a final judgment (of the type specified therein but without regard to the amount of such judgment) rendered against each Consolidated Subsidiary included in such group.

"Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is at the time directly or indirectly owned by the Borrower.

"Termination Date" means June 30, 1999 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.

"Total Borrowed Funds" means at any date, without duplication, (i) all outstanding obligations of the Borrower and its Consolidated Subsidiaries for borrowed money, (ii) all outstanding obligations of the Borrower and its Consolidated Subsidiaries evidenced by bonds, debentures, notes or similar

instruments and (iii) any outstanding obligations of the type set forth in (i) or (ii) of any other Person Guaranteed by the Borrower and its Consolidated Subsidiaries, it being understood that the obligation to repurchase securities transferred pursuant to a securities repurchase agreement shall not be deemed to give rise to any amount of Total Borrowed Funds pursuant to this definition.

1.2 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Bank.

SECTION 2
THE LOANS

2.1 Commitment. At any time prior to the Termination Date the Bank agrees, on the terms and conditions set forth in this Agreement, to lend to the Borrower from time to time amounts not exceeding in the aggregate at any one time outstanding the principal amount of \$10,000,000 minus the value of any outstanding letter(s) of credit issued by the Bank on behalf of DraftDirect Worldwide, Inc. (the "Commitment"). Each Loan under this Section 2.1 shall be in the principal amount of \$250,000 (except that any such Loan may be in the amount of the unused Commitment) or any larger multiple thereof. During such period and within the foregoing limits, the Borrower may borrow under this Section 2.1, repay or to the extent permitted by Section 2.9 hereof prepay Loans and reborrow under this Section 2.1.

2.2 Method of Borrowing.

(a) With respect to each Loan made pursuant to Section 2.1 hereof, the Borrower shall give the Bank notice prior to 11:00 a.m. on the drawdown date in the case of a Base Rate Loan, at least one Domestic Business Day's notice in the case of a CD Loan, or at least three Eurodollar Business Days' notice in the case of a Eurodollar Loan, specifying:

(i) the date of such Loan, which shall be a Domestic Business Day in the case of a Domestic Loan and a Eurodollar Business Day in the case of a Eurodollar Loan;

(ii) the principal amount of such Loan;

(iii) whether the Loan is to be a Base Rate Loan, a CD Loan or a Eurodollar Loan (and, if such Loan is to be a Eurodollar Loan, whether Section 2.14 is to be applicable thereto); and

(iv) in the case of a Fixed Rate Loan, the duration of the Interest Period applicable thereto, subject to the definition of Interest Period.

(b) On the date of each Loan the Bank will make the proceeds thereof available to the Borrower at the Domestic Lending Office.

(c) If the Bank makes a new Loan hereunder on a day which the Borrower is to repay all or any part of an outstanding Loan, the Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by the Bank to the Borrower as provided in subsection (b) of this Section or remitted by the Borrower to the Bank as provided in Section 2.10 hereof, as the case may be.

2.3 The Note.

(a) The Loans shall be evidenced by a single Note payable to the order of the Bank for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of the Loans. The Money Market Rate Loans shall be evidenced by the Money Market Rate Note, a form of which is attached hereto as Exhibit B.

(b) The Bank shall record and prior to any transfer, if permitted, of its Note, shall endorse on the schedule forming a part thereof appropriate notations evidencing the date, the type, the amount and the maturity of each Loan to be evidenced by the Note and the date and amount of each payment of principal made by the Borrower with respect thereto; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Note and, further provided, the Bank shall make such additions and deletions as the Borrower may request in order to correct any mistakes. The Bank is hereby irrevocably authorized by the Borrower so to endorse the Note and to attach to and make a part of the Note a continuation of any such schedule as and when required.

2.4 Maturity of Loans. Each Loan shall mature, and the principal amount thereof shall be due and payable, on the last day of the Interest Period applicable to such Loan. Each Money Market Rate Loan shall mature at such time as may be agreed to by the Bank and the Borrower.

2.5 Interest Rates.

(a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate. Such interest shall be payable for each Interest Period on the last day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the Base Rate Loans shall bear interest during such overdue period for each day until paid at a rate per annum equal to the sum of 1% plus the otherwise applicable rate for such day, payable on demand of the Bank.

(b) Each CD Loan shall bear interest on the outstanding principal amount thereof, for each Interest Period applicable thereto, at a rate per annum equal to the applicable Fixed CD Rate; provided that if any CD Loan or any portion thereof shall, as a result of clause (c) of the definition of Interest Period, have an Interest Period of

less than 30 days, such portion shall bear interest during such Interest Period at the rate applicable to Base Rate Loans during such Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than 90 days, at intervals of 90 days after the first day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the CD Loans shall bear interest during such overdue period for each day until paid at a rate per annum equal to the sum of 1% plus the higher of (i) the Fixed CD Rate applicable to such Loan and (ii) the rate applicable to Base Rate Loans for such day, payable on demand of the Bank.

The "Fixed CD Rate" applicable to any CD Loan for any Interest Period means a rate per annum equal to the sum of the CD Margin plus the applicable Adjusted CD Rate.

The "CD Margin" means (i) .4250%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .5250%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .6250%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

The "Adjusted CD Rate" applicable to any Interest Period means a rate per annum determined pursuant to the following formula:

$$\text{ACDR} = \frac{\text{CDBR} \times \text{A}}{1 - \text{DRP}} + \text{AR}$$

ACDR = Adjusted CD Rate for such Interest Period

CDBR = CD Base Rate for such Interest Period

AR = Assessment Rate

DRP = Domestic Reserve Percentage

The "CD Base Rate" means for any Interest Period the prevailing per annum rate of interest as reasonably determined by the Bank (rounded upward, if necessary, to the next higher 1/100 of 1%) bid at 11:00 a.m. (New York time) (or as soon thereafter as practicable) on the first day of such Interest Period by two
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or more certificate of deposit dealers of recognized standing selected by the Bank for the purchase at face value of US dollar certificates of deposit issued by major New York banks in an amount comparable to the principal amount of the CD Loan to which such Interest Period applies and with a maturity comparable to such Interest Period.

The "Domestic Reserve Percentage" means for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any basic, supplemental or emergency reserves) for a member bank of the Federal Reserve System with deposits exceeding five billion Dollars in respect of new non-personal time deposits in Dollars having a maturity comparable to the related Interest Period and in an amount of \$100,000 or more. The Fixed CD Rate shall be adjusted automatically on and as of the effective date of any change in the Domestic Reserve Percentage.

"Assessment Rate" means for any Interest Period the net annual assessment rate (rounded upwards, if necessary, to the next higher 1/100 of 1%) actually incurred by the Bank to the Federal Deposit Insurance Corporation (or any successor) for such Corporation's (or such successor's) insuring time deposits at offices of the Bank in the United States during the most recent period for which such rate has been determined prior to the commencement of such Interest Period.

(c) Each Eurodollar Loan shall bear interest on the unpaid principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the Eurodollar Margin plus the applicable Adjusted London Interbank Offered Rate. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of and, to the extent permitted by law, overdue interest on the Eurodollar Loans shall bear interest for each day until paid at a rate per annum equal to the sum of 1% plus the higher of (i) the rate of interest applicable to such Loan and (ii) the rate applicable to Base Rate Loans for such day, payable on demand of the Bank.

The "Adjusted London Interbank Offered Rate" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by 1.00 minus the Eurodollar Reserve Percentage.

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The "London Interbank Offered Rate" applicable to any Interest Period means the rate per annum at which deposits in Dollars are offered to the Bank in the London interbank market at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period in an amount approximately equal to the principal amount of the Eurodollar Loan to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

The "Eurodollar Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of the Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage.

The "Eurodollar Margin" means (i) .30%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .40%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .50%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

(d) Each Money Market Rate Loan shall be made by the Bank to the Borrower upon such terms and conditions and in such amounts as may be agreed upon from time to time by the Bank and the Borrower. Each Money Market Rate Loan shall be evidenced by a Note in the form of Exhibit B hereto.

2.6 Fees. The Borrower shall pay to the Bank a commitment fee computed on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after the date hereof (i) .125% of the unused portion of the Commitment, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the

Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) .180% of the unused portion of the Commitment, if the conditions set forth in clauses (i) and (ii) are not satisfied. Such fees shall accrue from the date hereof to and including the Termination Date and shall be payable quarterly in arrears on the last day of each June, September, December and March and on any date on which the Commitment is terminated or otherwise reduced.

2.7 Optional Termination or Reduction of Commitment. The Borrower may, upon at least three Domestic Business Days' notice to the Bank, terminate at any time or reduce from time to time the unused portion of the Commitment. Any such reduction of the Commitment shall be in the amount of \$1,000,000 or any larger multiple thereof. If the Commitment is terminated in its entirety, the accrued commitment fee shall be payable on the effective date of such termination.

2.8 Mandatory Termination or Reduction of Commitment. If not previously terminated by the Borrower pursuant to Section 2.7, the Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

2.9 Optional Prepayments.

(a) The Borrower may, upon at least one Domestic Business Day's notice to the Bank, prepay the Base Rate Loans without premium or penalty in whole at any time or from time to time in part in an amount equal to \$250,000 or any multiple of \$250,000 in excess thereof (or such lesser amount as applicable if less than \$250,000 is outstanding) by paying the principal amount being prepaid together with accrued interest thereon to the date of prepayment.

(b) Except as provided in Section 4.2 hereof, the Borrower may not prepay all or any portion of the principal amount of any Fixed Rate Loan prior to the maturity thereof.

2.10 General Provisions as to Payments. The Borrower shall make each payment of principal of, and interest on, the Loans and of commitment fees hereunder not later than 11:00 a.m. (local time) on the date when due in funds immediately available at the Applicable Lending Office for

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the account of (i) the Domestic Lending Office in the case of Domestic Loans and Money Market Rate Loans or (ii) the Eurodollar Lending Office in the case of Eurodollar Loans. Whenever any payment of principal of, or interest on, the Domestic Loans, the Money Market Rate Loans, the commitment fee shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Eurodollar Loans shall be due on a day which is not a Eurodollar Business Day, the date for payment thereof shall be extended to the next succeeding Eurodollar Business Day unless as a result thereof it would fall in the next calendar month, in which case it shall be advanced to the next preceding Eurodollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest shall be payable for such extended time.

2.11 Computation of Interest and Fees. Interest on the Loans bearing interest based on clause (i) of the definition of Base Rate shall be computed on the basis of a year of 365 or 366 days, as the case may be, and paid for actual days elapsed. Interest on Loans bearing interest based on clause (ii) of the definition of Base Rate, the CD Loans, the Eurodollar Loans, the Money Market Rate Loans and the calculation of the commitment fee shall be computed on the basis of a year of 360 days and paid for actual days elapsed.

2.12 Funding Losses. If the Borrower makes any payment of principal with respect to any Fixed Rate Loan (pursuant to Section 4 or Section 7 or otherwise) on any day other than the last day of an Interest Period applicable to such Loan, or if the Borrower fails to borrow any Fixed Rate Loan after notice has been given to the Bank in accordance with Section 2.2 hereof, the Borrower shall reimburse the Bank on demand for any resulting loss or expense incurred by it (or by any existing or prospective Participant in the related Loan) including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties; provided that the Bank shall have delivered to the Borrower a certificate by a Bank officer as to the amount of such loss.

2.13 Extension of Commitment. Not more than 60 nor less than 45 days prior to each date which is either the second or third anniversary of this Agreement, the Borrower may request in writing that the Bank extend the Commitment for an additional period of one year from the then current Termination Date. If the Bank, in its sole discretion, decides to grant such request, it shall so notify the Borrower not less than 30 days before the then current Termination Date in writing, whereupon the Commitment shall be extended for an additional period of one year from the then current Termination Date, and the term "Termination

Date" shall thereafter refer to the date that the Commitment, as so extended, will terminate. If not extended as provided in this Section 2.13, the Commitment will automatically terminate on the then current Termination Date without further action by the Borrower or the Bank.

2.14 Subsidiary Borrowers.

(a) Designation of Subsidiary Borrower. Any notice of a borrowing pursuant to Section 2.2(a) may include, at the option of the Borrower, a designation that (i) the terms and provisions of this Section 2.14 shall be applicable to such Loan, and (ii) DraftDirect Worldwide, Inc. shall be the borrower with respect to such Loan. Any Loan as to which such a designation is made is referred to herein as a "Subsidiary Loan" and DraftDirect Worldwide, Inc., is referred to herein as the "Subsidiary Borrower". Except to the extent inconsistent with any term or provision of this Section 2.14, the terms and provisions of this Agreement shall apply to each Subsidiary Loan (and to each promissory note evidencing a Subsidiary Loan) to the same extent as applicable to any other Loan (and any Note).

(b) Funding and Notes; Commitment. On the date of each Subsidiary Loan, the Bank will make the proceeds thereof available to the Subsidiary Borrower at the Applicable Lending Office. Each Subsidiary Loan shall be evidenced by a separate promissory note of the Subsidiary Borrower, substantially in the form of Exhibit C hereto, payable to the order of the Bank for the account of its Applicable Lending Office ("Subsidiary Note"). For purposes of computing the amount from time to time of the unused Commitment, the outstanding principal amount of all Subsidiary Loans at any time shall be deemed to constitute outstanding Loans of like principal amount under this Agreement.

(c) Payments, Prepayments, Funding Losses, Etc. The terms and provisions of Sections 2.9, 2.10, 2.12, 4 and 8.3 of this Agreement are intended to be applicable to Subsidiary Loans (and the Subsidiary Notes), provided that references to the Borrower's rights and obligations therein (including rights and obligations in respect of notices) shall, in the case of any Subsidiary Loan, be deemed to be references to the Subsidiary Borrower's rights and obligations. Except as provided in the preceding sentence, all references to the "Borrower" in this Agreement shall be deemed to be references to The Interpublic Group of Companies, Inc. So long as DraftDirect Worldwide, Inc. is a Subsidiary Borrower under the Agreement, such fees as described in Section 1.6 shall be paid by DraftDirect Worldwide, Inc.

(d) Conditions to Subsidiary Loans. In addition to the conditions set forth in Section 3, the obligation of the Bank to make the initial Subsidiary Loan to any Subsidiary Borrower shall be subject to the receipt by the Bank of the following:

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- (i) a duly executed Subsidiary Note of such Subsidiary Borrower, with the duly executed guaranty of Borrower affixed thereto; and
- (ii) an opinion of counsel to such Subsidiary Borrower to the effect that (A) such Subsidiary Borrower is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, (B) the execution, delivery and performance by such Subsidiary Borrower of the Subsidiary Note are within the Subsidiary Borrower's corporate powers and have been duly authorized by all necessary corporate action, and (C) the Subsidiary Note of such Subsidiary Borrower constitutes a valid and binding obligation of the Subsidiary Borrower.

Each borrowing by a Subsidiary Borrower shall be deemed to be a representation and warranty by the Borrower on the date of such Subsidiary Loan as to the matters specified in clause (ii)(A), (ii)(B) and (ii) (C) above

(e) Notices. Notices, requests, demands or communications to any Subsidiary Borrower shall be delivered or addressed to the Borrower as provided in Section 8.1(a).

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SECTION 3
CONDITIONS OF LENDING

The obligation of the Bank to make each Loan hereunder is subject to the performance by the Borrower of all its obligations under this Agreement and to the satisfaction of the following further conditions:

3.1 All Loans. In the case of each Loan hereunder, including the initial Loan:

(a) receipt by the Bank of the notice from the Borrower required by Section 2.2 hereof;

(b) the fact that immediately after the making of the Loan no Default with respect to Sections 6.1(d), 6.6, 6.7, 6.8, 6.9 or 6.10 or Event of Default shall have occurred and be continuing, except that in the case of any Loan which, after the application of proceeds thereof, results in no net increase in the outstanding principal amount of Loans made by the Bank, the fact that immediately after the making of the Loan, no Event of Default shall have occurred and be continuing;

(c) the fact that the representations and warranties contained in this Agreement shall be true on and as of the date of the Loan (except, in the case of any Loan which, after the application of the proceeds thereof, results in no net increase in the outstanding principal amount of Loans made by the Bank, the representations and warranties set forth in Sections 5.4(B) and 5.5 so long as the Borrower has disclosed to the Bank any matter which would cause any such representation to be untrue on the date of such Loan); and

(d) receipt by the Bank of such other documents, evidence, materials and information with respect to the matters contemplated hereby as the Bank may reasonably request.

Each borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Loan as to the facts specified in (b) and (c) of this Section.

3.2 Initial Loan. In the case of the initial Loan:

(a) receipt by the Bank of a duly executed Note;

(b) receipt by the Bank of an opinion of counsel to the Borrower as to the matters referred to in Sections 5.1, 5.2, 5.3, 5.5 and 5.8 hereof, and covering such other matters as the Bank may reasonably request, dated the date

of such Loan, satisfactory in form and substance to the Bank;

(c) receipt by the Bank of certified copies of all corporate action taken by the Borrower to authorize the execution, delivery and performance of this Agreement and the Note, and the Loans hereunder and such other corporate documents and other papers as the Bank may reasonably request;

(d) receipt by the Bank of a certificate of a duly authorized officer of the Borrower as to the incumbency, and setting forth a specimen signature, of each of the persons (i) who has signed this Agreement on behalf of the Borrower; (ii) who will sign the Note on behalf of the Borrower; and (iii) who will, until replaced by other persons duly authorized for that purpose, act as the representatives of the Borrower for the purpose of signing documents in connection with this Agreement and the transactions contemplated hereby; and

(e) receipt by the Bank of a certificate of a duly authorized officer of the Borrower to the effect set forth in Sections 3.1(b) and 3.1(c) hereof.

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SECTION 4
CHANGE IN CIRCUMSTANCES AFFECTING LOANS

4.1 Basis for Determining Interest Rate Inadequate.

If on or prior to the first day of any Interest Period deposits in Dollars (in the applicable amounts) are not being offered to the Bank in the relevant market for such Interest Period, the Bank shall forthwith give notice thereof to the Borrower, whereupon the obligations of the Bank to make CD Loans or Eurodollar Loans, as the case may be, shall be suspended until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist. Unless the Borrower notifies the Bank at least two Domestic Business Days before the date of any Fixed Rate Loan for which a notice of borrowing has previously been given that it elects not to borrow on such date, such Loan shall instead be made as a Base Rate Loan or the notice of borrowing may be withdrawn.

4.2 Illegality. If, after the date of this Agreement,

the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or its Eurodollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank (or its Eurodollar Lending Office) to make, maintain or fund its Eurodollar Loans, the Bank shall forthwith so notify the Borrower, whereupon the Bank's obligation to make Eurodollar Loans shall be suspended. Before giving any notice to the Borrower pursuant to this Section 4.2, the Bank will designate a different Eurodollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of the Bank, be otherwise disadvantageous to the Bank. If the Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Eurodollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of each such Eurodollar Loan, together with accrued interest thereon.

4.3 Increased Costs and Reduced Returns.

(a) If, after the date hereof, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by the Bank (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

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(i) shall subject the Bank (or its Applicable Lending Office) to any tax, duty or other charge with respect to its obligation to make Fixed Rate Loans, its Fixed Rate Loans, or its Note, or shall change the basis of taxation of payments to the Bank (or its Applicable Lending Office) of the principal of or interest on its Fixed Rate Loans or in respect of any other amounts due under this Agreement, in respect of its Fixed Rate Loans or its obligation to make Fixed Rate Loans, (except for changes in the rate of tax on the overall net income of the Bank or its Applicable Lending Office imposed by the jurisdiction in which the Bank's principal executive office or Applicable Lending Office is located); or

(ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System, but excluding (A) with respect to any CD Loan any such requirement included in an applicable Domestic Reserve Percentage and (B) with respect to any Eurodollar Loan any such requirement included in an applicable Eurodollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, the Bank (or its Applicable Lending Office) or shall impose on the Bank (or its Applicable Lending Office) or on the United States market for certificates of deposit or the London interbank market any other condition affecting its obligation to make Fixed Rate Loans, its Fixed Rate Loans or its Note;

and the result of any of the foregoing is to increase the cost to the Bank (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by the Bank (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by the Bank to be material, then, within 15 days after demand by the Bank, the Borrower agrees to pay to the Bank such additional amount or amounts as will compensate the Bank for such increased cost or reduction.

(b) If the Bank shall have determined that the adoption, after the date hereof, of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or its Applicable Lending Office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the

rate of return on the Bank's capital as a consequence of its obligations hereunder to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies with respect to capital adequacy) by an amount deemed by the Bank to be material, then from time to time, within 15 days after demand by the Bank, the Borrower shall pay to such Bank such additional amount or amounts as will compensate the Bank for such reduction.

(c) The Bank will promptly notify the Borrower of any event of which it has knowledge, occurring after the date hereof, which will entitle the Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of the Bank, be otherwise disadvantageous to the Bank. A certificate by an officer of the Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall, in the absence of manifest error, constitute prima facie evidence of such amount. In determining such amount, the Bank may use any reasonable averaging and attribution methods.

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SECTION 5
REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Bank that:

5.1 Corporate Existence and Power. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of its incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

5.2 Corporate and Governmental Authorization; Contravention. The execution, delivery and performance by the Borrower of this Agreement and the Note are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Borrower or of any judgment, injunction, order, decree, material agreement or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Consolidated Subsidiaries.

5.3 Binding Effect. This Agreement constitutes a valid and binding agreement of the Borrower and the Notes, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower.

5.4 Financial Information.

(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at December 31, 1995 and the related consolidated statements of income and retained earnings and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal year then ended, certified by Price Waterhouse, certified public accountants, and set forth in the Borrower's most recent Annual Report on Form 10-K, a copy of which has been delivered to the Bank, fairly present in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries at such date and the consolidated results of operations for such fiscal year;

(b) Since December 31, 1995 there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole.

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5.5 Litigation. There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against, the Borrower or any of its Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official in which there is a significant probability of an adverse decision which would materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement or the Notes.

5.6 Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code except where the failure to comply would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole. No member of the ERISA Group has incurred any unsatisfied material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

5.7 Taxes. United States Federal income tax returns of the Borrower and its Consolidated Subsidiaries have been examined and closed through the fiscal year ended December 31, 1987. The Borrower and its Consolidated Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due reported on such returns or pursuant to any assessment received by the Borrower or any Consolidated Subsidiary, to the extent that such assessment has become due. The charges, accruals and reserves on the books of the Borrower and its Consolidated Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate except for those which are being contested in good faith by the Borrower.

5.8 Subsidiaries. Each of the Borrower's Consolidated Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, all to the extent material to the Borrower and its Subsidiaries taken as a whole.

SECTION 6
COVENANTS

So long as the Commitment shall be in effect or the Note is outstanding, the Borrower agrees that:

6.1 Information. The Borrower will deliver to the Bank:

(a) as soon as available and in any event within 95 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such year, and consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such year, setting forth in each case in comparative form the figures for the preceding fiscal year, all reported on by Price Waterhouse or other independent certified public accountants of nationally recognized standing;

(b) as soon as available and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Borrower, an unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and retained earnings and statement of cash flows of the Borrower and its Consolidated Subsidiaries for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all certified (subject to changes resulting from year-end adjustments) as to fairness of presentation, in conformity with generally accepted accounting principles (other than as to footnotes) and consistency (except to the extent of any changes described therein and permitted by generally accepted accounting principles) by the chief financial officer or the chief accounting officer of the Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer or the chief accounting officer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 6.6 to 6.8, inclusive, on the date of such financial statements and (ii) stating whether any Default has occurred and is continuing on the date of such certificate and, if any Default then has occurred and is continuing, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

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(d) within 10 days of the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtaining knowledge of any event or circumstance known by such person to constitute a Default, if such Default is then continuing, a certificate of the principal financial officer or the principal accounting officer of the Borrower setting forth the details thereof and within five days thereafter, a certificate of either of such officers setting forth the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(f) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and annual, quarterly or monthly reports which the Borrower shall have filed with the Securities and Exchange Commission;

(g) if and when the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Borrower obtains knowledge that any member of the ERISA Group (i) has given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) has received notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; or (iii) has received notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice;

(h) if at any time the value of all "margin stock" (as defined in Regulation U) owned by the Borrower and its Consolidated Subsidiaries exceeds (or would, following application of the proceeds of an intended Loan hereunder, exceed) 25% of the value of the total assets of the Borrower and its Consolidated Subsidiaries, in each case as reasonably determined by the Borrower, prompt notice of such fact; and

(i) from time to time such additional information regarding the financial position or business of the Borrower as the Bank may reasonably request; provided, however, that the

Borrower shall be deemed to have satisfied its obligations under clauses (a) and (b) above if and to the extent that the Borrower has provided to the Bank pursuant to clause (f) the periodic reports on Forms 10-Q and 10-K required to be filed by the Borrower with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, for the quarterly and annual periods described in such clauses (a) and (b).

6.2 Maintenance of Property; Insurance.

(a) The Borrower will maintain or cause to be maintained in good repair, working order and condition all properties used and useful in the business of the Borrower and each Consolidated Subsidiary and from time to time will make or cause to be made all appropriate repairs, renewals and replacement thereof, except where the failure to do so would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole.

(b) The Borrower will maintain or cause to be maintained, for itself and its Consolidated Subsidiaries, all to the extent material to the Borrower and its Consolidated Subsidiaries taken as a whole, physical damage insurance on all real and personal property on an all risks basis, covering the repair and replacement cost of all such property and consequential loss coverage for business interruption and extra expense, public liability insurance in an amount not less than \$10,000,000 and such other insurance against risks of the kinds customarily insured against by corporations of established reputation engaged in the same or similar business and similarly situated, of such type and in such amounts as are customarily carried under similar circumstances.

6.3 Conduct of Business and Maintenance of Existence.

The Borrower will continue, and will cause each Consolidated Subsidiary to continue, to engage predominantly in business of the same general type as now conducted by the Borrower and its Consolidated Subsidiaries, and, except as otherwise permitted by Section 6.10 hereof, will preserve, renew and keep in full force and effect, and will cause each Consolidated Subsidiary to preserve, renew and keep in full force and effect their respective corporate existence and their respective rights and franchises necessary in the normal conduct of business, all to the extent material to the Borrower and its Consolidated Subsidiaries taken as a whole.

6.4 Compliance with Laws. The Borrower will comply, and cause each Consolidated Subsidiary to comply, in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities

(including, without limitation, ERISA and the rules and regulations thereunder and all federal, state and local statutes, laws or regulations or other governmental restrictions relating to environmental protection, hazardous substances or the cleanup or other remediation thereof) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to comply would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole.

6.5 Inspection of Property, Books and Records.

(a) The Borrower will keep, and will cause each Consolidated Subsidiary to keep, proper books of record and account in accordance with sound business practice so as to permit its financial statements to be prepared in accordance with generally accepted accounting principles; and will permit representatives of the Bank at the Bank's expense to visit and inspect any of the Borrower's properties, to examine and make abstracts from any of the Borrower's corporate books and financial records and to discuss the Borrower's affairs, finances and accounts with the principal officers of the Borrower and its independent public accountants, all at such reasonable times and as often as may reasonably be necessary to ensure compliance by the Borrower with its obligations hereunder.

(b) With the consent of the Borrower (which consent will not be unreasonably withheld) or, if an Event of Default has occurred and is continuing, without the requirement of any such consent, the Borrower will permit representatives of the Bank, at the Bank's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of any Consolidated Subsidiary and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of such Consolidated Subsidiary with its and the Borrower's principal officers and the Borrower's independent public accountants, all at such reasonable times and as often as the Bank may reasonably request.

6.6 Cash Flow to Total Borrowed Funds. The ratio of Cash Flow to Total Borrowed Funds shall not be less than .30 for any consecutive four quarters, such ratio to be calculated at the end of each quarter on a trailing four quarter basis.

6.7 Total Borrowed Funds to Consolidated Net Worth. Total Borrowed Funds will not exceed 85% of Consolidated Net Worth at end of any quarter of any fiscal year.

6.8 Minimum Consolidated Net Worth. Consolidated Net Worth will at no time be less than \$550,000,000 plus 25% of the

consolidated net income of the Borrower at the end of each fiscal quarter for each fiscal year commencing after the fiscal year ending December 31, 1994.

6.9 Negative Pledge. Neither the Borrower nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except for:

(a) Liens existing on the date hereof;

(b) any Lien existing on any asset of any corporation at the time such corporation becomes a Consolidated Subsidiary and not created in contemplation of such event;

(c) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, provided that such Lien attaches to such asset concurrently with or within 90 days after the acquisition thereof;

(d) any Lien on any asset of any corporation existing at the time such corporation is merged into or consolidated with the Borrower or a Consolidated Subsidiary and not created in contemplation of such event;

(e) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Consolidated Subsidiary and not created in contemplation of such acquisition;

(f) any Lien created in connection with capitalized lease obligations, but only to the extent that such Lien encumbers property financed by such capital lease obligation and the principal component of such capitalized lease obligation is not increased;

(g) Liens arising in the ordinary course of its business which (i) do not secure Debt and (ii) do not in the aggregate materially impair the operation of the business of the Borrower and its Consolidated Subsidiaries, taken as a whole;

(h) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(i) Liens securing taxes, assessments, fees or other governmental charges or levies, Liens securing the claims of materialmen, mechanics, carriers, landlords, warehousemen and

similar Persons, Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance and other similar laws, Liens to secure surety, appeal and performance bonds and other similar obligations not incurred in connection with the borrowing of money, and attachment, judgment and other similar Liens arising in connection with court proceedings so long as the enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

(j) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt in an aggregate principal amount at any time outstanding not to exceed 10% of Consolidated Net Worth;

(k) any Liens on any asset of Quest & Associates, Inc., a Subsidiary of Borrower, created in connection with the August 1995 investment by Quest & Associates, Inc. in a portfolio of computer equipment leases; and

(l) any Liens on property arising in connection with a securities repurchase transaction.

6.10 Consolidations, Mergers and Sales of Assets. The Borrower will not (i) consolidate or merge with or into any other Person (other than a Subsidiary of the Borrower) unless the Borrower's shareholders immediately before the merger or consolidation are to own more than 70% of the combined voting power of the resulting entity's voting securities or (ii) sell, lease or otherwise transfer all or substantially all of the Borrower's business or assets to any other Person (other than a Subsidiary of the Borrower). The Borrower will not permit any Significant Subsidiary or (in a series of related transactions) any significant Group of Subsidiaries to consolidate with, merge with or into or transfer all of any substantial part of its assets to any Person other than the Borrower or a Subsidiary of the Borrower.

6.11 Use of Proceeds. The proceeds of the Loans will be used for general corporate purposes, including the making of acquisitions. No part of the proceeds of any Loan hereunder will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate of buying or carrying any "Margin stock" in violation of Regulation U. If requested by the Bank, the Borrower will furnish to the Bank in connection with any Loan hereunder a statement in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U.

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SECTION 7
EVENTS OF DEFAULT

7.1 Events of Default. If any one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall fail to pay (i) any principal of any Loan when due or (ii) interest on any Loan or any commitment fee within four days after the same has become due; or

(b) any Subsidiary Borrower shall fail to pay any principal of or interest on any Subsidiary Loan when due and such failure shall not be remedied by such Subsidiary Borrower or the Borrower within four Domestic Business Days after written notice thereof has been given to such Subsidiary Borrower and the Borrower by the Bank; or

(c) the Borrower shall fail to observe or perform any covenant contained in Section 6.1(d) or Sections 6.6 to 6.8 or 6.10 hereof; or

(d) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (c) above) for 30 days after written notice thereof has been given to the Borrower by the Bank; or

(e) any representation, warranty or certification made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect upon the date when made or deemed made; or

(f) (1) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment at any stated maturity of principal of or interest on any other obligation for money borrowed (or any capitalized lease obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto or (2) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment other than at any stated maturity of principal of or interest on any other obligation for money borrowed (or any capitalized lease obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of

grace provided with respect thereto, or the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing), and the effect of such default with respect to a payment other than at any stated maturity, failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due or to require the purchase thereof prior to any stated maturity; provided that the aggregate amount of all obligations as to which any such payment defaults (whether or not at stated maturity), failures or other events shall have occurred and be continuing exceeds \$10,000,000 and provided, further, that it is understood that the obligations referred to herein exclude those obligations arising in connection with securities repurchase transactions; or

(g) the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(h) an involuntary case or other proceeding shall be commenced against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries under the federal bankruptcy laws as now or hereafter in effect; or

(i) any member of the ERISA Group shall fail to pay when due any amount or amounts aggregating in excess of \$1,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA (except where such liability is contested in good faith by appropriate proceedings as permitted under

Section 6.4); or notice of intent to terminate a Material Plan (other than any multiple employer plan within the meaning of Section 4063 of ERISA) shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any such Material Plan; or

(j) judgments or orders for the payment of money in excess of \$10,000,000 in the aggregate shall be rendered against the Borrower or any Significant Subsidiary or Significant Group of Subsidiaries and such judgments or orders shall continue unsatisfied and unstayed for a period of 60 days; or

(k) any person or group of persons (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")), other than the Borrower or any of its Subsidiaries, becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of 30% or more of the combined voting power of the Borrower's then outstanding voting securities; or a tender offer or exchange offer (other than an offer by the Borrower or a Subsidiary) pursuant to which 30% or more of the combined voting power of the Borrower's then outstanding voting securities was purchased, expires; or during any period of two consecutive years, individuals who, at the beginning of such period, constituted the Board of Directors of the Borrower cease for any reason to constitute at least a majority thereof, unless the election or the nomination for the election by the Borrower's stockholders of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period;

then, and in every such event, (1) in the case of any of the Events of Default specified in paragraphs (g) or (h) above, the Commitment shall thereupon automatically be terminated and the principal of and accrued interest on the Note shall automatically become due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived and (2) in the case of any other Event of Default specified above, the Bank may, by notice in writing to the Borrower, terminate the Commitment hereunder, if still in existence, and it shall thereupon be terminated, and the Bank may, by notice in writing to the Borrower, declare the Note and all other sums payable under this Agreement to be, and the same shall thereupon forthwith become, due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived.

SECTION 8
MISCELLANEOUS

8.1 Notices. Unless otherwise specified herein all notices, requests, demands or other communications to or from the parties hereto shall be sent by United States mail, certified, return receipt requested, telegram, telex or facsimile, and shall be deemed to have been duly given upon receipt thereof. In the case of a telex, receipt of such communication shall be deemed to occur when the sender receives its answer back. In the case of a facsimile, receipt of such communication shall be deemed to occur when the sender confirms such receipt by telephone. Any such notice, request, demand or communication shall be delivered or addressed as follows:

(a) if to the Borrower, to it at 1271 Avenue of the Americas, New York, New York 10020; Attention: Vice President and Treasurer (with a copy at the same address to the Vice President and General Counsel);

(b) if to the Bank, communications relating to its Eurodollar Loans (including without limitation any Sterling Loans) shall be delivered or addressed to the address or telex number set forth on the signature pages hereof for its Eurodollar Lending Office and all other communications shall be delivered or addressed to the address or telex number set forth on the signature pages hereof for its Domestic Lending Office;

or at such other address or telex number as any party hereto may designate by written notice to the other party hereto.

8.2 Amendments and Waivers; Cumulative Remedies.

(a) None of the terms of this Agreement may be waived, altered or amended except by an instrument in writing duly executed by the Borrower and the Bank.

(b) No failure or delay by the Bank in exercising any right, power or privilege hereunder or under the Note shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by law.

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8.3 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Bank, except that the Borrower may not assign or otherwise transfer any of its rights and obligations under this Agreement except as provided in Section 2.15 and Section 6.10 hereof, without the prior written consent of the Bank which the Bank shall not unreasonably delay or withhold.

(b) The Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in its Commitment or any or all of its Loans. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the Borrower the Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that the Bank will not agree to any modification, amendment or waiver of this Agreement (i) which increases or decreases the Commitment of the Bank (ii) reduces the principal of or rate of interest on any Loan or fees hereunder or (iii) postpones the date fixed for any payment of principal of or interest on any Loan or any fees hereunder without the consent of the Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12 and 4 with respect to its participating interest.

(c) The Bank may at any time assign all or any portion of its rights under this Agreement and the Note or Notes to a Federal Reserve Bank. No such assignment shall release the Bank from its obligations hereunder.

(d) No Participant or other transferee of the Bank's rights shall be entitled to receive any greater payment under Sections 2.12, 4.1 through 4.3 or 8.5 than the Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent or by reason of the provisions of Section 4.3(c) or 8.5(c) requiring the Bank to designate a different Applicable Lending Office under certain circumstances or at a time when the circumstances giving rise to such greater payment did not exist.

8.4 Expenses; Documentary Taxes; Indemnification.

(a) The Borrower shall pay (i) all out-of-pocket expenses and internal charges of the Bank (including reasonable fees and disbursements of counsel) in connection with any Default hereunder and (ii) if there is an Event of Default, all out-of-pocket expenses incurred by the Bank (including reasonable fees and disbursements of counsel) in connection with such Event of Default and collection and other enforcement proceedings resulting therefrom. The Borrower shall indemnify the Bank against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Note.

(b) The Borrower agrees to indemnify the Bank and hold the Bank harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel for the Bank in connection with any investigative, administrative or judicial proceeding, whether or not the Bank shall be designated a party thereto) which may be incurred by the Bank relating to or arising out of any actual or proposed use of proceeds of Loans hereunder or any merger or acquisition involving the Borrower; provided, that the Bank shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

8.5 Withholding Taxes.

(a) With respect to any Loan as to which the Bank's Applicable Lending Office is located outside the United States, all payments by the Borrower to the Bank under this Agreement are to be made free and clear of any and all taxes, duties, imposts, fees, withholdings or deductions (the "Deductions") of any nature now or hereafter imposed by the United States of America or any political subdivision or taxing authority thereof or therein. If any Deduction is, by law, required to be made from any payment hereunder, then the Borrower shall (i) make such Deduction, (ii) pay the amount of such Deduction to the relevant taxing authority and (iii) pay to the Bank such additional amount as will result in receipt by the Bank of a net amount equal to the amount the Bank would have received hereunder had no such Deduction been required, provided that the Borrower shall not be required to pay any such additional amount (A) in respect of any tax imposed on the net income of the Bank by the jurisdiction under the laws of which the Bank is organized or where its principal place of business or Applicable Lending Office is located, or any political subdivision or taxing authority thereof or therein, or (B) to the extent such Deduction is required as a result of the Bank's failure to comply with its obligations pursuant to Section 8.5(b) hereof. In the event such Deduction is so required to be made from any payment

hereunder, the Borrower shall, as soon as practicable, deliver to the Bank any receipts issued by the relevant taxing authority evidencing the amount of such Deduction and its payment.

(b) The Bank agrees to complete and deliver to the Borrower, prior to the date on which the first payment to the Bank is due under any Loan made hereunder and (so long as it remains eligible to do so) from time to time thereafter, (i) with respect to any Loan as to which the Bank's Applicable Lending Office is located outside the United States, an Internal Revenue Service Form 1001 certifying that it is entitled to benefits under an income tax treaty to which the United States is a party that reduces the rate of withholding tax on payments of interest to zero or (ii) with respect to any Loan as to which the Bank's Applicable Lending Office is located in the United States, an Internal Revenue Service Form 4224 in duplicate certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. The Bank further agrees to complete and deliver to the Borrower from time to time, so long as it is eligible to do so, any successor or additional form required by the Internal Revenue Service in order to secure an exemption from, or reduction in the rate of, U.S. withholding tax.

(c) The Bank agrees that if the Borrower is required to pay any additional amounts pursuant to Section 8.5(a) hereof in respect of any Loan, the Bank will, upon the request of the Borrower, designate a different Applicable Lending Office if such designation will reduce the amount of the Deductions required to be made by the Borrower and will not otherwise be materially disadvantageous to the Bank.

8.6 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

8.7 Headings; Table of Contents. The section and subsection headings used herein and the Table of Contents have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

8.8 Governing Law. This Agreement, the Note and the Subsidiary Note shall be construed in accordance with and governed by the law of the State of New York.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of June 25, 1996.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: ALAN M. FORSTER
Title: Vice President & Treasurer

CHEMICAL BANK

By: THOMAS J. COX
Title: Vice President

Domestic and Eurodollar Lending Offices

Chemical Bank
270 Park Avenue
New York, NY 10020
Attn.: Mr. Fred Vagnini
Tel #: 212-622-4083
Tel #: 212-332-4370
Fed Wire: ABA #021000128
Acct.: Chemical Bank
270 Park Avenue
New York, NY 10020

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EXHIBIT A

NOTE

June 25, 1996
New York, New York

FOR VALUE RECEIVED, THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of CHEMICAL BANK (the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the last day of the Interest Period relating to such Loan. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States of America in Federal or other immediately available funds at the office of the Bank located at 270 Park Avenue, New York, NY 10020.

All Loans made by the Bank, the respective maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is the Note referred to in the Credit Agreement dated as of June 25, 1996 between the Borrower and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: Alan M. Forster
Title: Vice President & Treasurer

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EXHIBIT B

MONEY MARKET NOTE

June 25, 1996
New York, New York

FOR VALUE RECEIVED, THE INTERPUBLIC GROUP OF COMPANIES, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of CHEMICAL BANK (the "Bank"), for the account of its Domestic Lending Office, Money Market Rate Loans made by the Bank to the Borrower pursuant to the Credit Agreement referred to below upon such terms and conditions as may be agreed upon pursuant to said Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States of America in Federal or other immediately available funds at the office of the Bank located at 270 Park Avenue, New York, NY 10020.

All Money Market Loans made by the Bank, the respective maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is one of the Money Market Notes referred to in the Credit Agreement dated as of June 25, 1996, between the Borrower and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: Alan M. Forster
Title: Vice President & Treasurer

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EXHIBIT C

NOTE

June 25, 1996
New York, New York

FOR VALUE RECEIVED, DraftDirect Worldwide, Inc., a Delaware corporation (the "Subsidiary Borrower"), hereby promises to pay to the order of CHEMICAL BANK (the "Bank"), for the account of its Applicable Lending Office, the unpaid principal amount of each Subsidiary Loan made by the Bank to the Subsidiary Borrower pursuant to Section 2.15 of the Credit Agreement referred to below on the last day of the Interest Period relating to such Subsidiary Loan. The Subsidiary Borrower promises to pay interest on the unpaid principal amount of each such Subsidiary Loan on the dates and at the rate or rates provided for in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States of America in Federal or other immediately available funds at the office of the Bank located at 270 Park Avenue, New York, NY 10020.

All Subsidiary Loans made by the Bank, the respective maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Subsidiary Borrower hereunder or under the Credit Agreement.

This note is the Subsidiary Note referred to in Section 2.14 of the Credit Agreement dated as of June 25, 1996 between The Interpublic Group of Companies, Inc. and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof.

DraftDirect Worldwide, Inc.
By: Daniel E. Ginsburg
Title: President

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GUARANTY

The Interpublic Group of Companies, Inc. (the "Guarantor") hereby unconditionally guarantees to the Bank the due and punctual payment of the principal of, and interest on, the Note upon which this Guaranty is endorsed (the "Note"). The foregoing is an absolute, continuing and irrevocable guaranty of payment and not of collectibility or performance. The Guarantor hereby waives diligence, presentment and demand of payment (except as provided in the Credit Agreement) and covenants that this Guaranty will not be discharged except by payment as herein provided. Until all amounts of principal of, and interest on, the Note have been paid or otherwise satisfied in full, the Guarantor will not exercise any rights that it may have acquired by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights. If any payment (or part thereof) of the principal of, or interest on, the Note is rescinded or must otherwise be returned by the Bank upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the primary obligor under the Note, this Guaranty shall continue to be effective, or be reinstated, as to said payment (or part thereof) as if such payment (or part thereof) had not been made.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
By: Alan M. Forster
Title: Vice President

GUARANTY

The Interpublic Group of Companies, Inc. (the "Guarantor") hereby unconditionally guarantees to the Bank the due and punctual payment of the principal of, and interest on, the Note upon which this Guaranty is endorsed (the "Note"). The foregoing is an absolute, continuing and irrevocable guaranty of payment and not of collectibility or performance. The Guarantor hereby waives diligence, presentment and demand of payment (except as provided in the Credit Agreement) and covenants that this Guaranty will not be discharged except by payment as herein provided. Until all amounts of principal of, and interest on, the Note have been paid or otherwise satisfied in full, the Guarantor will not exercise any rights that it may have acquired by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights. If any payment (or part thereof) of the principal of, or interest on, the Note is rescinded or must otherwise be returned by the Bank upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the primary obligor under the Note, this Guaranty shall continue to be effective, or be reinstated, as to said payment (or part thereof) as if such payment (or part thereof) had not been made.

THE INTERPUBLIC GROUP OF COMPANIES, INC.
By: Alan M. Forster
Title: Vice President

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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