

INTERPUBLIC GROUP OF COMPANIES, INC.  
Form S-3ASR  
February 24, 2012  
Table of Contents

As filed with the Securities and Exchange Commission on February 24, 2012

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM S-3**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

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

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

13-1024020

Edgar Filing: INTERPUBLIC GROUP OF COMPANIES, INC. - Form S-3ASR

(I.R.S. Employer Identification No.)

1114 Avenue of the Americas

New York, New York 10036

(212) 704-1200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Nicholas J. Camera, Esq.

Senior Vice President, General Counsel and Secretary

The Interpublic Group of Companies, Inc.

1114 Avenue of the Americas

New York, New York 10036

(212) 704-1200

(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

Nicolas Grabar, Esq.

Cleary Gottlieb Steen & Hamilton LLP

One Liberty Plaza

New York, New York 10006

(212) 225-2000

(Copies of all communications, including communications  
sent to agent for service)

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Edgar Filing: INTERPUBLIC GROUP OF COMPANIES, INC. - Form S-3ASR

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered / Proposed Maximum Offering Price Per Unit / Proposed Maximum Offering Price / Amount of Registration Fee</b>
Senior Debt Securities	(1)(2)

- (1) Not applicable pursuant to Instruction II.E. to Form S-3.
- (2) An indeterminate aggregate amount of debt securities is being registered as may from time to time be offered for sale or sold at indeterminate prices. In reliance on Rules 456(b) and 457(r) under the Securities Act of 1933, the Registrant is deferring payment of all of the registration fees relating to the registration of debt securities hereby until such fees become payable in connection with an offering of such debt securities.

**Table of Contents**

**PROSPECTUS**

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

**Senior**

**Debt Securities**

The Interpublic Group of Companies, Inc. from time to time may offer to sell senior debt securities. The senior debt securities may be offered together or separately and in one or more series, if any, in amounts, at prices and on other terms to be determined at the time of the offering and described in a prospectus supplement.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

We will provide specific terms of these securities and the manner in which we will sell them in supplements to this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is February 24, 2012.**

**Table of Contents**

**TABLE OF CONTENTS**

<u>About This Prospectus</u>	1
<u>Where You Can Find More Information</u>	1
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	2
<u>Incorporation by Reference</u>	3
<u>Risk Factors</u>	4
<u>The Interpublic Group of Companies, Inc.</u>	5
<u>Use of Proceeds</u>	6
<u>Description of Debt Securities</u>	7
<u>Plan of Distribution</u>	20
<u>Legal Matters</u>	22
<u>Experts</u>	22

We are responsible for the information contained and incorporated by reference in this prospectus, the applicable prospectus supplement, and any related free-writing prospectus we prepare or authorize. We have not, and the underwriters have not, authorized anyone to give you any other information, and neither we nor the underwriters take responsibility for any other information that others may give you. This prospectus and the applicable prospectus supplement are an offer to sell only the senior debt securities described herein, but only under circumstances and in jurisdictions where it is lawful to do so. You should not assume that the information in this prospectus, the applicable prospectus supplement, any free writing prospectus or any document incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since these dates.

**Table of Contents**

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, utilizing a shelf registration process. Under this shelf registration process, we may offer and sell senior debt securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the senior debt securities we may offer. Each time we offer the debt securities, we will provide a prospectus supplement and attach it to this prospectus. The prospectus supplement will contain specific information about the terms of the offering and the senior debt securities being offered at that time. The prospectus supplement also may add, update or change information contained in this prospectus. In this prospectus, Interpublic, Registrant, we, us, our and the Company each refers to The Interpublic Group of Companies, Inc., unless the context indicates otherwise.

Whenever references are made in this prospectus to information that will be included in a prospectus supplement, to the extent permitted by applicable law, rules or regulations, we may provide such information or add, update or change the information contained in this prospectus by means of (a) post-effective amendment to the registration statement of which this prospectus is a part, (b) filings we make with the SEC that are incorporated by reference into this prospectus or (c) any other method as may then be permitted under applicable law, rules or regulations. To the extent information in this prospectus is inconsistent with information contained in a prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and any prospectus supplement, together with additional information described under the heading Where You Can Find More Information, and any additional information you may need to make your investment decision.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy this information at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. Our SEC filings are available to the public over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov).

This prospectus constitutes part of a registration statement on Form S-3 filed by us under the Securities Act of 1933, as amended, or the Securities Act. As allowed by SEC rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

Financial and other information can also be accessed through our website at [www.interpublic.com](http://www.interpublic.com), where we make available, free of charge, copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished, as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC. Our website and the information contained therein or connected thereto are not incorporated into this prospectus.

You may obtain a copy of any of our filings, at no cost, by writing or telephoning us at:

The Interpublic Group of Companies, Inc.

Attn: Corporate Secretary

1114 Avenue of the Americas

New York, New York 10036

(212) 704-1200

**Table of Contents**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements. Our representatives may also make forward-looking statements orally from time to time. Statements in this prospectus that are not historical facts, including statements about our beliefs and expectations, constitute forward-looking statements. Without limiting the generality of the foregoing, words such as may, will, expect, believe, anticipate, intend, could, would, continue or comparable terminology are intended to identify forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined in the Risk Factors section of our Annual Report on Form 10-K. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

potential effects of a challenging economy, for example, on the demand for our advertising and marketing services, on our clients financial condition, and our business or financial condition;

our ability to attract new clients and retain existing clients;

our ability to retain and attract key employees;

risks associated with assumptions we make in connection with our critical accounting estimates, including changes in assumptions associated with any effects of a weakened economy;

potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;

risks associated with the effects of global, national and regional economic and political conditions, including counterparty risks and fluctuations in economic growth rates, interest rates and currency exchange rates; and

developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world.

Investors should carefully consider these factors together with any additional risk factors disclosed in our SEC reports incorporated in this prospectus by reference or in a prospectus supplement to this prospectus.

**Table of Contents**

**INCORPORATION BY REFERENCE**

This prospectus incorporates by reference information that we have filed with the SEC under the Exchange Act. This means that we are disclosing important information to you by referring you to those documents. Information contained in any document subsequently filed with the SEC, to the extent it modifies information in this prospectus or in any document incorporated by reference in this prospectus, will automatically update and supersede the information originally included in this prospectus or any document incorporated by reference in this prospectus.

We incorporate by reference into this prospectus the following documents or information filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the SEC on February 24, 2012; and

our Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 20, 2011.

All documents that we will subsequently file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering shall be deemed incorporated by reference into this prospectus. We will not incorporate by reference into this prospectus any information furnished under either Item 2.02 or Item 7.01 of any Current Report on Form 8-K that we furnish to the SEC after the date of this prospectus, unless and only to the extent specified in that report.

**Table of Contents**

**RISK FACTORS**

An investment in our securities involves risks. You should carefully consider the risks described in our filings with the SEC referred to under the heading *Where You Can Find More Information*, as well as the risks included and incorporated by reference in this prospectus, including the risk factors incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2011.

**Table of Contents**

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

The Interpublic Group of Companies, Inc. was incorporated in Delaware in September 1930 under the name of McCann-Erickson Incorporated as the successor to the advertising agency businesses founded in 1902 by A.W. Erickson and in 1911 by Harrison K. McCann. The Company has operated under the Interpublic name since January 1961.

We are one of the world's premier global advertising and marketing services companies. Through our 42,000 employees in all major world markets, our companies specialize in consumer advertising, digital marketing, communications planning and media buying, public relations and specialized communications disciplines. Our agencies create customized marketing programs for many of the world's largest companies. Comprehensive global services are critical to effectively serve our multinational and local clients in markets throughout the world, as they seek to build brands, increase sales of their products and services and gain market share.

The work we produce for our clients is specific to their unique needs. Our solutions vary from project-based activity involving one agency to long-term, fully integrated campaigns created by multiple IPG agencies working together. With offices in over 100 countries, we can operate in a single region, or deliver global integrated programs.

We are a Delaware corporation. Our principal executive office is located at 1114 Avenue of the Americas, New York, New York 10036, and our telephone number is (212) 704-1200.

**Table of Contents**

**USE OF PROCEEDS**

Unless otherwise indicated in the applicable prospectus supplement, we intend to use the proceeds from the sale of the debt securities described in this prospectus for general corporate purposes, which may include, without limitation:

redemption and repayment of short-term or long-term borrowings;

capital expenditures;

acquisitions of or investments in businesses or assets;

purchases of our common stock; and

working capital.

Pending application of the net proceeds, we may temporarily invest the net proceeds in short-term marketable securities.

## **Table of Contents**

### **DESCRIPTION OF DEBT SECURITIES**

We may issue senior unsecured general obligations, which we refer to as the debt securities in this section. The debt securities will be issued from time to time under an indenture and applicable supplemental indenture, if any, with respect to any series of debt securities, between us and U.S. Bank National Association, as trustee. The indenture and any supplemental indenture are technical documents with terms that have defined meanings. The indenture is summarized below. Because this discussion is a summary, it does not contain all of the information that may be important to you. We urge you to read the indenture, in particular to understand your rights and our obligations under the covenants described below under Limitation on Liens, Limitations on Sale and Lease-Back Transactions, Excepted Indebtedness and Consolidation, Merger and Sale of Assets. The form of indenture is filed as an exhibit to this registration statement.

The following briefly summarizes the material provisions of the indenture. The specific terms of each series of debt securities will be described in the particular prospectus supplement relating to that series. For a complete description of the terms of a particular series of debt securities, you should read both this prospectus and the prospectus supplement relating to that particular series.

#### **General**

The debt securities that may be issued under the indenture are not limited in aggregate principal amount. We may issue debt securities at one or more times in one or more series. Each series of debt securities may have different terms. The terms of any series of debt securities will be established pursuant to a resolution of our board of directors or in a supplement to the indenture relating to that series.

The debt securities will be our direct unsecured general obligations and will rank senior with any of our indebtedness that is, by its terms, expressly subordinated in right of payment to the debt securities. The debt securities rank equally in right of payment with all our other existing and future unsecured indebtedness that is not so subordinated. Because we are a holding company, our rights and the rights of our creditors, including the holders of the debt securities offered under this registration statement, to participate in the assets of any subsidiary during its liquidation or reorganization, will be subject to the prior claims of the subsidiary's creditors, except to the extent that we are ourselves a creditor with recognized claims against the subsidiary.

The provisions of the indenture allow us to reopen a previous issue of a series of debt securities and issue additional debt securities of that series.

A prospectus supplement relating to any series of debt securities being offered will describe the specific terms relating to the offering. The terms will be set forth in an officers' certificate or a supplemental indenture. The officers' certificate or supplemental indenture will be signed at the time of issuance and will contain important information. The officers' certificate or supplemental indenture will include some or all of the following terms for a particular series of debt securities:

- (1) the title of the series of debt securities;
- (2) the purchase price, denomination and any limit on the aggregate principal amount of the debt securities;
- (3) the date or dates on which principal and any premium on the debt securities will be payable or the method of determination of principal and any premium;
- (4) the rate or rates at which the debt securities will bear any interest or the method of calculating the rate or rates of interest, the date or dates from which interest will accrue or the method by which the date or dates will be determined, the dates on which interest will be payable, and any regular record date for payment of interest;
- (5) the place or places where the principal of and any premium and interest on the debt securities will be payable;



**Table of Contents**

- (6) the place or places where the debt securities may be exchanged or transferred;
- (7) the terms and conditions upon which we may redeem the debt securities, in whole or in part, at our option;
- (8) the terms and conditions upon which we may be obligated to redeem or purchase the debt securities under any sinking fund or similar provisions or upon the happening of a specified event or at the option of a holder;
- (9) the minimum denominations in which the debt securities will be issuable, if other than denominations of \$1,000 and integral multiples of \$1,000;
- (10) if other than U.S. dollars, the currency or currencies, including the currency unit or units, in which payments of principal and any premium and interest on the debt securities will or may be payable, or in which the debt securities will be denominated, and any particular related provisions;
- (11) if we or a holder may elect that payments of principal of or any premium or interest on the debt securities be made in a currency or currencies, including currency unit or units, other than that in which the debt securities are denominated or designated to be payable, the currency or currencies in which these payments are to be made, including the terms and conditions applicable to any payments and the manner in which the exchange rate with respect to these payments will be determined, and any particular related provisions;
- (12) if the amount of payments of principal of and any premium and interest on debt securities are determined with reference to an index, formula or other method, which may be based, without limitation, on a currency or currencies other than that in which the debt securities are denominated or designated to be payable, the index, formula or other method by which the amounts will be determined;
- (13) if any series of debt securities is not subject to our right to defeasance and discharge, or covenant defeasance;
- (14) the period or periods within which, the price or prices at which, the currency or currencies in which, and the other terms and conditions upon which we may redeem the debt securities;
- (15) any provisions for the conversion or exchange of debt securities;
- (16) if other than the full principal amount, the portion of the principal amount of the debt securities which will be payable upon declaration of acceleration of maturity;
- (17) any changes or additions to events of default or covenants set forth in the indenture with respect to the debt securities;
- (18) any agents for the debt securities, including trustees, depositories, authenticating or paying agents, transfer agents or registrars; and
- (19) any other terms of the debt securities.

**Exchange, Registration, Transfer and Payment**

## Edgar Filing: INTERPUBLIC GROUP OF COMPANIES, INC. - Form S-3ASR

Unless otherwise indicated in the applicable prospectus supplement, the principal of and any premium and interest on the debt securities will be payable, and the exchange of and the transfer of debt securities will be registrable, at our office or agency maintained for that purpose in New York City and at any other office or agency maintained for that purpose. In the absence of any provisions to the contrary with respect to any series of debt securities, we will issue the debt securities in denominations of \$1,000 and integral multiples of \$1,000. Unless otherwise provided in the debt securities to be transferred or exchanged, no service charge will be made for any registration of transfer or exchange of the debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge imposed because of the transactions.

## **Table of Contents**

All money paid by us to a paying agent for the payment of principal of and any premium or interest on any debt security which remains unclaimed for one year after the principal, premium or interest has become due and payable may be repaid to us, provided notice of unclaimed funds has been published in a publication of general circulation, and afterwards the holder of the debt security may look only to us for payment of those amounts.

In the event of any redemption, notice shall be delivered to each holder of debt securities to be redeemed 30 to 60 days prior to redemption.

## **Covenants**

Except as described in this sub-section or as otherwise provided in the applicable prospectus supplement with respect to any series of debt securities, we are not restricted by the indenture from incurring, assuming or becoming liable for any type of debt or other obligations, from paying dividends or making distributions on our capital stock or purchasing or redeeming our capital stock. The indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity.

Unless otherwise indicated in the applicable prospectus supplement, covenants contained in the indenture, which are summarized below, will be applicable to the series of debt securities to which the prospectus supplement relates so long as any of the debt securities of that series are outstanding.

*Reporting.* We must file with the trustee, within 45 days after we file the same with the Securities and Exchange Commission (the "SEC"), copies of our annual and quarterly reports and other information that we may be required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act.

*Limitations on Liens.* If we or our majority-owned subsidiaries that meet the requirements of a restricted subsidiary incur any indebtedness for borrowed money secured by an interest in or lien on any of our assets or those of any restricted subsidiary, we will be required to secure the debt securities equally and ratably with, or, at our option, prior to, this indebtedness. A restricted subsidiary is any majority-owned subsidiary which meets any of the following conditions:

our and our other majority-owned subsidiaries' investments in and advances to the subsidiary exceed 10% of our total assets and those of our subsidiaries consolidated as of the end of the most recently completed fiscal year;

our and our other majority-owned subsidiaries' proportionate share of the total assets, after intercompany eliminations, of the subsidiary exceed 10% of our total assets and those of our subsidiaries consolidated as of the end of the most recently completed fiscal year; or

our and our other majority-owned subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of changes in accounting principles of the subsidiary exceeds 10% of our income and that of our subsidiaries consolidated for the most recently completed fiscal year.

The preceding provisions will not require us to secure the debt securities if the liens consist of either liens securing excepted indebtedness for borrowed money or any of the following:

- (1) liens on property or assets acquired or held by us or any of our restricted subsidiaries incurred to secure the payment of all or any part of the purchase price of the property or assets or to secure indebtedness for borrowed money incurred prior to, at the time of, or within 180 days after the acquisition for the purpose of financing all or any part of the purchase price, or liens existing on any property or assets at the time of its acquisition by us or any of our restricted subsidiaries, other than any liens created in contemplation of the acquisition that were not incurred to finance all or any part of the purchase price of the property or assets (so long as the liens do not extend to or cover any property or assets of any character other than the property or assets being acquired);

**Table of Contents**

- (2) liens on property or assets of a person, including any entity, other than us or any of our restricted subsidiaries, existing at the time we or our restricted subsidiaries purchase or acquire the property or asset, so long as the liens were not created in contemplation of the purchase or other acquisition and do not extend to any property or assets other than those so purchased or otherwise acquired;
- (3) liens affecting property or assets of a person, other than us or any of our restricted subsidiaries, existing at the time the person merges into or consolidates with us or a restricted subsidiary or becomes a restricted subsidiary or at the time of sale, lease or other disposition of the property or assets as an entirety or substantially as an entirety to us or a restricted subsidiary, so long as the liens were not created in contemplation of the merger, consolidation or acquisition and do not extend to any property or assets other than those of the person so merged into or consolidated with, or acquired by, us or the restricted subsidiary;
- (4) liens to secure indebtedness for borrowed money owing by a restricted subsidiary to us or to a restricted subsidiary;
- (5) liens existing on the date of initial issuance of the debt securities;
- (6) liens in favor of the United States or any of its states, territories or possessions, or the District of Columbia, or any department, agency, instrumentality or political subdivision of any of those political entities, to secure partial, progress, advance or other payments;
- (7) liens on any property to secure all or part of the cost of its alteration, repair or improvement or indebtedness for borrowed money incurred to provide funds for this purpose in a principal amount not exceeding the cost of the improvements or construction;
- (8) purchase money liens on personal property;
- (9) liens created in connection with a capitalized lease obligation, but only to the extent that those liens encumber property financed by that capitalized lease obligation and the principal component of that capitalized lease obligation is not increased;
- (10) liens on property arising in connection with a securities repurchase transaction;
- (11) liens, including judgment liens, arising in connection with legal proceedings, taxes, fees, assessments or other governmental charges, so long as those proceedings, taxes, fees, assessments or other governmental charges are being contested in good faith and, in the case of judgment liens, execution on the liens is stayed, and for which we have established any reserves required in accordance with generally accepted accounting principles, or GAAP;
- (12) carriers, warehousemen, mechanics, landlords, materialmen, repairmen or other similar liens arising in the ordinary course of business which are not overdue for a period of more than 90 days or are being contested in good faith by appropriate proceedings diligently pursued, so long as any proceedings commenced for the enforcement of the liens have been stayed or suspended within 30 days after their commencement, and provision for the payment of the liens has been made on our books to the extent required by GAAP;
- (13) easements, rights-of-way, zoning restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the underlying property or interfere with the ordinary conduct of our business or that of any restricted subsidiary;

- (14) pledges or deposits to secure obligations under workers' compensation laws or other similar legislation, other than in respect of employee benefit plans subject to the Employee Retirement Income Security Act of 1974, or to secure public or statutory obligations;
- (15) liens securing the performance of, or payment in respect of, bids, tenders, government contracts, other than for the repayment of borrowed money, surety and appeal bonds and other obligations of a similar nature incurred in the ordinary course of business;

**Table of Contents**

- (16) any interest or title of a lessor or sublessor and any restriction or encumbrance to which the interest or title of the lessor or sublessor may be subject that is incurred in the ordinary course of business;
- (17) any contractual right of set-off or any contractual right to charge or contractual security interest in or lien on our accounts or the accounts of any of our restricted subsidiaries to effect the payment of amounts to a depository institution whether or not due and payable in respect of any indebtedness for borrowed money or financing arrangement and any other lien arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights;
- (18) liens arising in the ordinary course of banking transactions and securing indebtedness for borrowed money in an aggregate amount of not more than \$15.0 million that matures not more than one year after the date on which it is originally incurred;
- (19) any liens on assets of our subsidiaries organized outside of the United States in favor of lenders or an affiliated guarantor under or in connection with short-term working capital lines of credit or overdraft facilities, in each case entered into in the ordinary course of business;
- (20) any liens on any asset of any person organized outside of the United States arising at any time pursuant to an arrangement (factoring or otherwise) secured by accounts receivable that is existing at the time such person becomes or became a restricted subsidiary of ours or is merged into or consolidated with us or any of our restricted subsidiaries (or pursuant to any extension, renewal or replacement of such an arrangement); provided that such lien or arrangement was not created in contemplation of such event, and only to the extent, in the case of any such arrangement, that such arrangement does not provide for liens which, together with all other liens permitted under this clause (20), would encumber assets representing more than 5.0% of the consolidated accounts receivable of us and our consolidated subsidiaries as reflected in the consolidated balance sheet of us and our consolidated subsidiaries for our fiscal quarter most recently ended prior to such event (or, if applicable, such extension, renewal or replacement);
- (21) any liens arising out of an interest bearing cash deposit account to be established and maintained by the lender or lenders (or their agent) under any credit facility with a bank or a syndicate of banks; and
- (22) extensions, renewals, refinancings or replacements of any lien referred to in the above items, so long as the lien does not extend to or cover any of our property or that of the applicable restricted subsidiary, as the case may be, other than the property specified in these items and improvements to that property.

We refer to the liens described above as *permitted liens*.

*Limitations on Sale and Lease-Back Transactions.* We and our restricted subsidiaries will not sell or transfer any assets with the intention of entering into a lease of the assets for a term of more than three years unless:

- (1) the assets have not been owned by us or any of our restricted subsidiaries or have not been in full operation for more than one year prior to the sale or transfer;
- (2) we or the restricted subsidiary could incur indebtedness for borrowed money secured by a lien on the assets at least equal in amount to the attributable debt (as defined below) with respect to the transaction without equally and ratably securing the debt securities under the limitation on liens in the indenture;
- (3) we apply an amount equal to the value of those assets within 180 days of the sale of those assets

Edgar Filing: INTERPUBLIC GROUP OF COMPANIES, INC. - Form S-3ASR

- (a) to the defeasance or retirement, other than any mandatory retirement, mandatory prepayment or sinking fund payment or by way of payment at maturity, of the debt securities or other indebtedness for borrowed money incurred by us or a restricted subsidiary that matures more than one year after the creation of the indebtedness, or
  
- (b) to the purchase, construction or development of other property; or

---

**Table of Contents**

- (4) the transaction is between us and any of our restricted subsidiaries or between our restricted subsidiaries.

The term *attributable debt* means, with respect to any sale and lease-back transaction, at the time of determination, the lesser of:

- (1) the fair market value of the property subject to the transaction, as determined in good faith by our Board of Directors;
- (2) the present value, discounted at the lease's identified or implicit rate of interest, if determinable, of the total net amount of rent (as defined below) required to be paid under the lease during the remaining term of the lease, including any renewal term or period for which the lease has been extended; or
- (3) if the obligation with respect to the sale and lease-back transaction constitutes an obligation that we must classify and account for as a capitalized lease for financial reporting purposes in accordance with GAAP, the amount equal to the capitalized amount of the obligation determined in accordance with GAAP and included in the financial statements of the lessee.

The term *rent* does not include amounts required to be paid by the lessee, whether or not designated as rent or additional rent, on account of or contingent upon maintenance and repairs, insurance, taxes, assessments, water rates and similar charges. In the case of any lease that is terminable by the lessee upon the payment of a penalty, the net amount of rent will be the lesser of (a) the net amount determined assuming termination upon the first date the lease may be terminated, in which case the net amount will also include the amount of the penalty, but no rent will be considered as required to be paid under the lease subsequent to the first day upon which it may be so terminated and (b) the net amount determined assuming no termination.

*Excepted Indebtedness.* Notwithstanding the limitations on liens and sale and lease-back transactions described above, and without limiting our or any restricted subsidiary's ability to issue, incur, create, assume or guarantee indebtedness for borrowed money secured by permitted liens, we or any restricted subsidiary will be permitted to incur indebtedness for borrowed money secured by a lien or may enter into a sale and lease-back transaction, in either case, without regard to the restrictions contained in the preceding two paragraphs entitled *Limitations on Liens* and *Limitations on Sale and Lease-Back Transactions*, if at the time the indebtedness for borrowed money is incurred and after giving effect to this indebtedness, the sum of (a) the aggregate principal amount of all indebtedness for borrowed money secured by liens, other than permitted liens, or, if less, the fair market value of the property subject to the lien, as determined in good faith by our Board of Directors and (b) the attributable debt of all our sale and lease-back transactions, in each case not otherwise permitted in the preceding two paragraphs, does not exceed 15% of:

- (1) our total assets and those of our majority-owned subsidiaries, including, without limitation, all items that are treated as intangibles in accordance with GAAP, less
- (2) our total liabilities and those of our majority-owned subsidiaries, including, without limitation, all deferred taxes, in each case determined on a consolidated basis and in accordance with GAAP (but without giving effect to any cumulative translation adjustments, whether positive or negative).

**Consolidation, Merger and Sale of Assets**

We may not consolidate or merge with or into any other person, including any other entity, or convey, transfer or lease all or substantially all of our properties and assets to any person or group of affiliated persons unless:

- (1) we are the continuing corporation or the person, if other than us, formed by the consolidation or with which or into which we are merged or the person to which all or substantially all our properties and assets are conveyed, transferred or leased is a corporation organized and existing under the laws of the United States, any of its states or the District of Columbia and expressly assumes our obligations under the debt securities and the indenture; and

## **Table of Contents**

(2) immediately after giving effect to the transaction, there is no default and no event of default under the indenture. If we consolidate with or merge into any other corporation or convey, transfer or lease all or substantially all of our property and assets as described in the preceding paragraph, the successor corporation will succeed to and be substituted for us, and may exercise our rights and powers under the indenture, and afterwards, except in the case of a lease, we will be relieved of all obligations and covenants under the indenture and all outstanding debt securities.

### **Events of Default**

Unless otherwise indicated in the applicable prospectus supplement, the *Events of default* contained in the indenture, which are summarized below, will be applicable to the series of debt securities to which the prospectus supplement relates so long as any of the debt securities of that series are outstanding:

- (1) default in the payment of interest on such debt security when due that continues for a period of 30 days;
- (2) default in the payment of principal of or premium on such debt security when due and payable;
- (3) default in the deposit of any sinking fund payment on that series when due;
- (4) if the terms of the debt securities include a requirement to conduct an offer to repurchase the debt securities in the event of a change of control or change of control triggering event, failure by us to repurchase such debt securities or make such a change of control offer in a timely manner as required under such debt securities;
- (5) failure to comply in any material respect with any of our other covenants, agreements or warranties contained in the indenture for a period of 60 days after notice to us by the trustee or by the holders of at least 25% in principal amount of such debt securities;
- (6) the occurrence of an event of default within the meaning of any mortgage, indenture or debt instrument under which there may be issued, or by which there may be secured or evidenced, any of our indebtedness for borrowed money, other than such debt securities, whether the indebtedness now exists or shall hereafter be incurred, in an amount in excess of \$50.0 million and which results in the indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and we have not cured the default in payment or the acceleration is not rescinded or annulled within 10 days after written notice to us from the trustee (if the event be known by it) or to us and to the trustee from the holders of at least 25% in principal amount of such outstanding debt securities; *provided, however*, that if, prior to a declaration of acceleration of the maturity of such debt securities or the entry of judgment in favor of the trustee in a suit pursuant to the indenture, the default has been remedied or cured by us or waived by the holders of the indebtedness, then the event of default will be deemed likewise to have been remedied, cured or waived; and
- (7) the occurrence of an event of bankruptcy, insolvency or reorganization with respect to us and our restricted subsidiaries, as described in the indenture.

No event of default with respect to a particular series of debt securities, except as to those events involving bankruptcy, insolvency or reorganization with respect to us as described in the applicable indenture, necessarily constitutes an event of default with respect to any other series of debt securities.

In general, the indenture obligates the trustee to give notice of a default with respect to a series of debt securities to the holders of such debt securities. The trustee may withhold notice of any default, except a default in payment on any debt security, if the trustee determines it is in the best interest of the holders of such series of debt securities to do so.



## **Table of Contents**

If there is a continuing event of default beyond any grace period permitted under the indenture, the trustee or the holders of at least 25% in principal amount of a series of debt securities may require us to repay immediately the unpaid principal of and interest on all such debt securities. In the case of an event of default resulting from events of bankruptcy, insolvency or reorganization with respect to us, the principal, or the specified portion of the principal, of and interest on all such debt securities will become immediately payable without any act on the part of the trustee or any holder of such debt securities. Subject to conditions, the holders of a majority in principal amount of any series of debt securities may rescind any acceleration of repayment and may waive past defaults, except a default in payment of the principal of, and any premium or interest on, any debt security of such series, payments to the trustee and some covenant defaults under the terms of such debt securities.

Under the terms of the indenture, the trustee may refuse to enforce the indenture or the terms of a series of debt securities unless it first receives satisfactory security or indemnity from the holders of the debt securities of such series. Subject to limitations specified in the indenture, the holders of a majority in principal amount of debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee. No holder of a debt security of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the indenture or for the appointment of a receiver or trustee, or for any other remedy under the indenture unless:

- (1) the holder has previously given to the trustee written notice of a continuing event of default with respect to such debt securities;
- (2) the holders of at least 25% in principal amount of such debt securities have made a written request to the trustee and offered indemnity reasonably satisfactory to it to institute the proceeding as trustee, and the trustee has not received from the holders of a majority in principal amount of such debt securities a direction inconsistent with the request and has failed to institute the proceeding within 60 days; and
- (3) it being understood and intended that no holder of any such debt securities that avails itself of the conditional right to seek a remedy, may disturb or prejudice the rights of any other holders of such debt securities.

Despite the enforcement restrictions described above, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal of and any premium and interest on such debt security on or after the due dates expressed in the debt security and to institute suit for the enforcement of any payment.

We are required to furnish to the trustee, within 90 days of the end of our fiscal year, a statement by some of our officers as to whether or not, to their knowledge, there has been any default or event of default that occurred prior to the end of the fiscal year that is continuing.

## **Modification of the Indenture**

The indenture permits us and the trustee to amend the indenture and any supplemental indenture with respect to any series of debt securities without the consent of holders:

- (1) to evidence the succession of another corporation and the assumption of our covenants under the indenture and the debt securities;
- (2) to add to our covenants for the benefit of the holders of debt securities or to the events of default or to surrender any of our rights or powers under the applicable indenture or to make other changes which would not adversely affect in any material respect the holder of any outstanding debt securities;
- (3) to cure any ambiguity, defect or inconsistency; and

Edgar Filing: INTERPUBLIC GROUP OF COMPANIES, INC. - Form S-3ASR

(4) for other purposes as described in the indenture.

The indenture also permits us and the trustee, with the consent of the holders of a majority in principal amount of the debt securities of each series affected by the amendment, with each affected series voting as a

## **Table of Contents**

class, to add any provisions to or change or eliminate any of the provisions of the indenture or any supplemental indenture or to modify the rights of the holders of debt securities of each series, provided, however, that, without the consent of the holder of each debt security so affected, no amendment may: :

- (1) change the maturity of the principal of or any premium on or any installment of principal or interest on any debt security;
- (2) reduce the principal amount of any debt security, or the rate of interest or any premium payable upon the redemption, repurchase or repayment of any debt security, or change the manner in which the amount of these items are determined;
- (3) reduce the amount of principal payable upon acceleration of maturity;
- (4) change the place of payment where, or the currency or currency unit in which, any debt security or any premium, interest on the debt security is payable;
- (5) reduce the percentage in principal amount of debt securities the consent of whose holders is required for amendment of the indenture or for waiver of compliance with some provisions of the indenture or for waiver of some defaults; or
- (6) reduce the principal of or change the fixed maturity of any debt security or alter the provisions, waive any payment, or otherwise change our obligation in a manner adverse to the holder with respect to the redemption of the debt securities other than, if applicable under the terms of the debt securities, provisions relating to an obligation to conduct an offer to repurchase the debt securities in the event of a change of control or change of control triggering event (except to the extent provided in clause (7) below);
- (7) amend, change or modify our obligation to make and consummate an offer to repurchase the debt securities in the event of a change of control or change of control triggering event in accordance with the relevant terms of the debt securities after such change of control or change of control triggering event has occurred, including amending, changing or modifying any definition relating thereto after the change of control or change of control triggering event has occurred; or
- (8) modify the provisions relating to waiver of some defaults or any of the provisions relating to amendment of the indenture, except to increase the percentage required for consent or to provide that some other provisions of the indenture may not be modified or waived.

The holders of a majority in principal amount of the debt securities of any series may, on behalf of the holders of all debt securities of that series, waive, insofar as is applicable to that series, our compliance with some restrictive provisions of the indenture.

## **Defeasance and Covenant Defeasance**

Unless otherwise specified in the applicable prospectus supplement, we may elect either:

- (1) to be discharged from all our obligations in respect of a series of debt securities, except for our obligations to register the transfer or exchange of such debt securities, to replace temporary, destroyed, stolen, lost or mutilated debt securities, to maintain paying agencies and to hold monies for payment in trust (we will refer to this discharge as *defeasance* ), or

## Edgar Filing: INTERPUBLIC GROUP OF COMPANIES, INC. - Form S-3ASR

(2) to be released from our obligations to comply with some restrictive covenants applicable to a series of debt securities (we will refer to this release as *covenant defeasance*);

in either case upon the deposit with the trustee, in trust, of money and/or U.S. government obligations which will provide money sufficient to pay all principal of and any premium and interest on such series of debt securities when due. We may establish this trust only if, among other things, we have delivered an opinion of counsel to the trustee to the effect that the holders of such series of debt securities (a) will not recognize income, gain or loss fo