

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2006-12-13** | Period of Report: **2006-12-07**

SEC Accession No. [0000891092-06-003784](#)

([HTML Version](#) on [secdatabase.com](#))

FILER

OMNICOM GROUP INC

CIK: **29989** | IRS No.: **131514814** | State of Incorp.: **NY** | Fiscal Year End: **1231**

Type: **8-K** | Act: **34** | File No.: **001-10551** | Film No.: **061274523**

SIC: **7311** Advertising agencies

Mailing Address

437 MADISON AVE
NEW YORK NY 10022

Business Address

437 MADISON AVE
NEW YORK NY 10022
2124153700

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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 7, 2006

**OMNICOM GROUP INC.
(Exact Name of Registrant as Specified in Charter)**

**New York
(State or Other Jurisdiction of
Incorporation)**

**1-10551
(Commission File Number)**

**13-1514814
(IRS Employer Identification No.)**

**437 Madison Avenue, New York, NY
(Address of Principal Executive Offices)**

**10022
(Zip Code)**

Registrants' telephone number, including area code: (212) 415-3600

**Not Applicable
(Former Name or Former Address, if Changed Since Last Report)**

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13c under the Exchange Act

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On December 7, 2006, the Board of Directors of Omnicom Group Inc. (“Omnicom”), upon the recommendation of the Compensation Committee (the “Committee”) of the Board of Directors of Omnicom, approved the adoption of the Omnicom Group Inc. Senior Executive Restrictive Covenant and Retention Plan (the “Plan”) for certain executive officers of Omnicom selected to participate by the Committee. The Committee subsequently approved the Form of Award Agreement (the “Award Agreement”) pursuant to the terms and conditions of the Plan. The Plan was adopted to secure non-competition, non-solicitation, non-disparagement and consulting agreements with such executive officers, and to strengthen the retention aspect of executive officer compensation. The Plan becomes effective on December 15, 2006.

To receive payments under the Plan, participants must comply with certain non-competition, non-solicitation, non-disparagement and other restrictive covenants, and must be available to provide advisory and consultant services to Omnicom, until the close of the last calendar year in which the participant is entitled to receive the payments. In addition, participants in the Plan must surrender any rights to receive payments under any qualified or nonqualified defined benefit pension plans of Omnicom and its subsidiaries.

The Plan provides for annual payments to its participants upon termination following at least seven years of service with Omnicom or its subsidiaries. A participant’s annual benefit is payable for the 15 consecutive calendar years following termination, and is equal to the lesser of (i) the participant’s final average pay times an applicable percentage and (ii) \$1,250,000 (subject to cost-of-living adjustments). Each participant’s final average pay is equal to the average of the participant’s three highest years of pay during the participant’s employment with Omnicom or its subsidiaries. Each participant’s applicable percentage is equal to 5% plus 2% for each of the participant’s years of service (or partial year of service) as an executive officer of Omnicom up to a maximum of 35%.

A participant’s benefit under the Plan becomes payable upon the later of (i) the participant’s attainment of age 55 and (ii) the calendar year following the calendar year in which the participant’s employment with Omnicom or its affiliates terminates, subject to a six-month delay to comply with Section 409A of the Internal Revenue Code, as applicable.

The Plan is administered by the Committee and may be terminated, suspended or amended, in whole or in part, by the Committee at any time, provided, that no termination, suspension or amendment may adversely affect the benefits or rights of a participant in the Plan in a material manner without the consent of such participant.

The foregoing description of the Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Plan, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

The Award Agreement provides that, subject to the participating executive’s compliance with the terms of the Plan, the participating executive shall be entitled to receive a benefit under the Plan, subject to and in accordance with the Plan’s terms. The foregoing description of the Award Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Award Agreement, a copy of which is filed herewith as Exhibit 10.2 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following is filed herewith:

Exhibit Number	Description
10.1	Senior Executive Restrictive Covenant and Retention Plan of Omnicom Group Inc., dated December 7, 2006
10.2	Form of Award Agreement under the Senior Executive Restrictive Covenant and Retention Plan

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 hereunto duly authorized.

Omnicom Group Inc.

Date: December 13, 2006

By: /s/ Michael J. O' Brien _____

Name: Michael J. O' Brien

Title: Senior Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Description
10.1	Senior Executive Restrictive Covenant and Retention Plan of Omnicom Group Inc., dated December 7, 2006
10.2	Form of Award Agreement under the Senior Executive Restrictive Covenant and Retention Plan

OMNICOM GROUP INC.

SENIOR EXECUTIVE RESTRICTIVE COVENANT AND RETENTION PLAN

ARTICLE I - PREAMBLE

1.1 The purpose of this Senior Executive Restrictive Covenant and Retention Plan (the "Plan") is to secure non-competition, non-solicitation, non-disparagement and consulting agreements with Executive Officers for a significant period of time, and strengthen the retention aspect of Executive Officers' total compensation.

1.2 This Plan shall be (i) operated in good faith compliance with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), prior to the calendar year 2008, and (ii) amended on or before December 31, 2007 to take into account the requirements of Section 409A of the Internal Revenue Code.

1.3 This Plan may be amended at any time and from time to time by the Committee to comply with the requirements of Section 409A of the Internal Revenue Code, and regulations and interpretations issued thereunder. Notwithstanding Section 10.1 of the Plan, any such amendment may be made without the consent of any Participant or Beneficiary, regardless of whether such amendment adversely affects any benefits or rights of a Participant or Beneficiary arising under the terms of the Plan.

1.4 This Plan shall be effective as of December 15, 2006.

ARTICLE II - DEFINITIONS

The following terms shall have the meaning set forth below:

2.1 "Annual Cap" means \$1,250,000 for the first payment to any Participant; provided, however, that the Annual Cap shall be adjusted annually (beginning with the second annual payment to the Participant) by the most recent Cost-of-Living Adjustment used by the United States Social Security Administration. Notwithstanding anything else to the contrary, the Annual Cap shall not be increased by more than 2.5% per calendar year.

2.2 "Beneficiary" means any person, persons, entity or entities designated in writing by the Participant to the Company to receive payment, if any, to be made hereunder following the death of the Participant, and in the absence of such designation, means (i) the Participant's surviving spouse, while living, and (ii) if there be no surviving spouse or upon the death of the surviving spouse, then to the estate of the Participant.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Committee" means the Compensation Committee of the Board, or if there should be no Compensation Committee, means a committee of not less than three members of the Board

1

none of whom shall, while serving as a member of the Committee, be eligible to receive a benefit under the Plan from the Company.

2.5 "Company" means Omnicom Group Inc., a New York corporation.

2.6 "Disability" means the inability of the Participant, by reason of physical condition, mental illness or accident, to perform substantially all of the duties of the position at which he or she was employed by the Employer when such disability commenced. The Committee shall make all determinations as to "Disability," after a hearing at which the Participant shall be entitled to be present with counsel of his or her choice and be heard by the Committee, and the determination by the Committee shall be final and conclusive.

2.7 "Employee" means any person who is a full-time employee of an Employer.

2.8 "Employer" means the Company or a Subsidiary.

2.9 "Executive Officer" means, as determined by the Board on an annual basis, the Company's president, any vice president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function or any other person who performs similar policy making functions for the Company. Executive Officers of Subsidiaries may be deemed Executive Officers of the Company if they perform such policy making functions for the Company.

2.10 "Employer Group" means the Company and all Subsidiaries.

2.11 "Final Average Pay" means the Participant's average annual Pay determined using the highest three (3) years of Pay during the Employee's employment with the Employer, unless otherwise defined by the Participant's Senior Executive Restrictive Covenant and Retention Plan Agreement. For this purpose, only full years of employment will be taken into account and partial years of employment will be disregarded.

2.12 "Participant" means a person who participates in the Plan in accordance with Article V below.

2.13 "Plan" means this Omnicom Group Inc. Senior Executive Restrictive Covenant and Retention Plan, as may be amended from time to time.

2.14 "Pay" means the base salary plus bonus and other incentive compensation earned in respect of any calendar year by the Participant, whether or not paid

to the Participant or waived or deferred by the Participant, excluding all other forms of compensation, such as severance pay, contributions under benefit plans, and the compensatory elements of stock awards.

2.15 "Percentage" means 5% plus 2% per Year of Executive Service, unless otherwise defined by the Participant's Senior Executive Restrictive Covenant and Retention Plan Agreement. Unless otherwise limited by the Participant's Senior Executive Restrictive Covenant and Retention Plan Agreement, in no event may the Percentage exceed 35%.

2

2.16 "Senior Executive Restrictive Covenant and Retention Plan Agreement" means a written agreement containing terms and conditions that are deemed appropriate by the Committee.

2.17 "Subsidiary" means any company in which the Company holds, directly or indirectly, 50% or more of its outstanding voting stock.

2.18 "Year of Executive Service" means each complete or partial Year of Service during which the Participant was an Executive Officer.

2.19 "Year of Service" means each consecutive period of 365 days the Participant is in the continuous employ of a member or members of the Employer Group. For purposes of this Section, "continuous employ of a member or members of the Employer Group" means consecutive employment by members of the Employer Group without interruption by reason of self-employment or employment by a third party employer, except as provided in Section 2.19(b) of the Plan.

The Participant shall be in the employ of the Employer regardless of absences by reason of:

(a) sick leave, vacation leave, or other special leave approved by the Employer which does not exceed six months, provided the Participant returns to work for the Employer not later than the expiration date of the authorized leave of absence; and

(b) time spent in the service of others at the request of, or with the approval of, the Employer, provided the Participant returns to work for the Employer within fifteen (15) days following cessation of work for such other party.

ARTICLE III - COMPANY'S PAYMENT OBLIGATION CONDITIONAL ON PARTICIPANT REFRAINING FROM COMPETITIVE AND OTHER ACTIVITIES AFTER SEVERANCE OF EMPLOYMENT

3.1 It is a condition of the Company's obligation to make payments hereunder that from the date of the Participant's employment termination described in Section 6.1 of the Plan that shall have given rise to the obligation to pay and

until the close of the last calendar year in respect of which the Participant is entitled to receive payments hereunder:

(a) that the Participant shall not, directly or indirectly, engage in, nor become employed as an employee or retained as a consultant by any of the top 15 marketing services organizations as reported most recently by Advertising Age (determined at the time of entering into the Senior Executive Restrictive Covenant and Retention Plan Agreement), or any of such marketing organizations' subsidiaries in the United States or any other country ("Protected Business"); provided, that, nothing shall prohibit the Participant from, directly or indirectly, engaging in, or becoming employed as an employee or retained as a consultant, as described in Article IV or otherwise, by a member of the Employer Group;

3

(b) that the Participant shall not employ (including to retain, engage, or conduct business with) or attempt to employ (other than on behalf of a member of the Employer Group) or assist anyone else to employ any person who is at the time of the alleged prohibited conduct, or was at any time during the preceding year, an employee of a member of the Employer Group;

(c) that the Participant shall not make any oral or written statement to any person or entity which disparages in a material way the business reputation of the Company or any member of the Employer Group or the top 50 clients of the Employer Group; and

(d) that the Participant shall not willfully engage in any activity which is materially harmful to the interests of the Employer Group.

In the event that the Committee determines that the Participant has breached any of the provisions of Subsections (a) through (d) above, it shall give the Participant written notice thereof stating in detail the particular act or failures that constitute such breach and the specific action that the Committee requires the Participant to take to cure such alleged breach. Any such notice must be given within ninety (90) days after the Committee first determines that such acts or failures constitute a breach. The Committee must give the Participant a reasonable opportunity to cure in all circumstances in which it alleges that the Participant has breached any of the provisions of Subsections (a) through (d) above. The Participant shall have ninety (90) days after receiving such notice to remedy such breach. The determination of (i) whether a business is in the top 15 marketing services organizations as reported in Advertising Age, (ii) whether the Participant employed, attempted to employ or assisted anyone else to employ any employee of the Employer Group, (iii) whether the Participant made statements which disparages in a material way, and (iv) whether the Participant willfully engaged in any activity which is materially harmful, shall be made by the Committee in good faith after a hearing at which the Participant shall be entitled to be present with counsel of his choice and be heard by the Committee, and any such determination by the

Committee shall be final and conclusive.

3.2 Nothing herein prohibits or restricts the Participant from engaging in the Protected Business in the geographic areas described in Subsection 3.1(a) of the Plan, employing, attempting to employ or assisting anyone else to employ any employee of a member of the Employer Group, making disparaging statements, or willfully engaging in activity which is harmful to the interests of the Employer Group (collectively "Activities"); provided, however, in the event the Participant chooses to engage in any of such Activities, the Company's obligation to make payments hereunder shall forthwith terminate as to payments which might otherwise have become payable to the Participant in respect of the calendar year in which such Activity occurred and to the Participant or the Beneficiary in respect of all calendar years thereafter, but the Participant shall not be obligated to refund to the Company any payments theretofore paid to Participant hereunder.

ARTICLE IV - COMPANY'S PAYMENT OBLIGATION CONDITIONAL ON
PARTICIPANT'S AVAILABILITY FOR ADVISORY AND
CONSULTATIVE SERVICES AFTER SEVERANCE OF EMPLOYMENT

4.1 It is a further condition of the Company's obligation to make payments hereunder that from the date of the Participant's employment termination described in Section 6.1 of the Plan that shall have given rise to the obligation to pay and until the close of the last calendar year in respect of which the Participant is entitled to receive payments hereunder, that the Participant, if not physically or mentally disabled, shall, as an independent contractor and upon not less than thirty (30) days prior written notice from the Company, make his or her services available to the Company as an advisor and consultant with respect to activities of the department or unit of the Company's business to which the Participant was last assigned; provided, however, that the Participant shall not be obligated to make his or her services available (i) for more than forty-five (45) business days in the aggregate in any one calendar year and for more than seven (7) consecutive business days in any one calendar year, and (ii) during the period from December 15 through January 15. Such advisory or consulting services shall be rendered at such times and places as may be mutually convenient to the Chief Executive Officer of the Company and the Participant. The scheduling of the Participant's advisory and consulting activities shall take into account his or her other business, family and civic commitments. The Company shall reimburse the Participant for reasonable traveling, transportation and living expenses necessarily incurred by the Participant while away from his or her regular place of residence in the performance of such advisory and consultative services for the Company.

In the event that the Committee determines that the Participant has breached any of the provisions of Section 4.1 above, it shall give the Participant written notice thereof stating in detail the particular act or failures that constitute such breach and the specific action that the Committee

requires the Participant to take to cure such alleged breach. Any such notice must be given within ninety (90) days after the Committee first determines that such acts or failures constitute a breach. The Committee must give the Participant a reasonable opportunity to cure in all circumstances in which it alleges that the Participant has breached any of the provisions of Section 4.1 above. The Participant shall have ninety (90) days after receiving such notice to remedy such breach. The determination of whether the Participant has violated any provision of Section 4.1 above shall be made by the Committee in good faith after a hearing at which the Participant shall be entitled to be present with counsel of his choice and be heard by the Committee, and any such determination by the Committee shall be final and conclusive.

4.2 In the event the Participant chooses not to render advisory and consultative services to the Company as provided in Section 4.1 of the Plan, the Company's obligation to make payments hereunder shall forthwith terminate as to payments which might otherwise have become payable to the Participant in respect of the calendar year in which such event occurred and to the Participant or the Beneficiary in respect of all calendar years thereafter, but the Participant shall not be obligated to refund to the Company any payments theretofore paid to Participant hereunder.

ARTICLE V - PARTICIPATION

5.1 The Committee shall select, in its sole discretion, those Employees who are eligible to become Participants in the Plan.

5.2 An eligible Employee shall become a Participant in the Plan effective upon the Employee executing and returning to the Company's Secretary a Senior Executive Restrictive Covenant and Retention Plan Agreement.

ARTICLE VI - BENEFITS

6.1 Except as otherwise set forth in the Participant's Senior Executive Restrictive Covenant and Retention Plan Agreement, in the event the Participant's employment with the Employer Group terminates for any reason after the Participant has completed seven Years of Service, then the Company, subject to all the terms and conditions hereof, shall become obligated to pay to the Participant, or to the Beneficiary if the obligation arises because of the death of the Participant, each year, for fifteen (15) consecutive calendar years commencing in the year determined under Section 6.2 of the Plan, an amount equal to the lesser of (a) the product obtained by multiplying the Participant's Final Average Pay by the Percentage; or (b) the Annual Cap.

6.2 Except as otherwise set forth in the Participant's Senior Executive Restrictive Covenant and Retention Plan Agreement, the benefits to be paid under Section 6.1 of the Plan, if any, shall commence upon the later of (a) the Participant's attainment of age 55 (subject to Section 6.3 of the Plan), or (b)

the calendar year following the calendar year in which the Participant's employment is terminated with the Employer Group; provided, however, that the following exceptions apply:

- (i) If the Participant's employment is terminated because of his or her Disability, then the Participant's benefits shall commence in the calendar year following the calendar year in which such termination occurs;
- (ii) If the Participant dies prior to receiving the first payment of his or her benefits, then 100% of the benefits that would have been paid to the Participant had the Participant lived to receive all payments shall be paid to the Beneficiary in annual payments over the total number of calendar years as to which the Company would have been obligated to make payments hereunder to the Participant; and
- (iii) If the Participant dies after receiving the first payment of his or her benefits, but before the Participant has received all of the payments in respect of the total number of calendar years as to which the Company is obligated to make payments hereunder ("Payment Period"), the Company shall thereafter be obligated to make annual payments to the Beneficiary during the remainder of the Payment Period, equal to 100% of the amount which the Company would have been obligated to pay to the Participant had the Participant lived to receive all payments.

6

- (iv) Notwithstanding any provision of the Plan to the contrary, if the Participant is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Internal Revenue Code, then any distribution made from the Plan to the Participant shall not be made prior to the date that is 6 months after the date that the Participant terminates employment in accordance with Section 6.1 of the Plan.

6.3 Payments hereunder as a result of the Participant attaining age 55 shall commence as soon as practicable but no later than ninety (90) days following the Participant's attainment of age 55 and subsequent payments shall be made in each calendar year of payment following the Participant's attainment of age 55 during the first ninety (90) days of the subject calendar year. Except as otherwise provided herein, all payments under this Article shall be made by the Company in each calendar year of payment during the first ninety (90) days of the subject calendar year.

6.4 The Company may, at any time and from time to time, seek to fund, in whole or in part, its obligation under the Plan by applying for insurance on the life

of a Participant. Such Participant shall, if requested in writing by the Company, undergo a physical examination for such purpose by medical examiners designated by the Company, and if the Participant should refuse to undergo such physical examination the Company shall have the right to terminate its obligation under the Plan by giving written notice of such termination to the Participant.

6.5 The amount payable hereunder by the Company in respect of the Payment Period shall be conditioned on the Participant surrendering any rights he or she has to receive payments to be made following cessation of Participant's employment to the Participant, Beneficiary or other designee of the Participant pursuant to any defined benefit pension plan sponsored by one or more members of the Employer Group regardless of whether such plan is qualified under Section 401(a) of the Internal Revenue Code ("Post-Employment Payments"). For purposes hereof, Post-Employment Payments shall not include any other type of payment including payments under (i) a profit-sharing or savings plan which is qualified under Section 401(a) of the Internal Revenue Code, (ii) a benefit plan, other than a defined benefit pension plan, for the payor's employees generally ("Employee Benefit Plan"), (iii) a plan, other than a defined benefit pension plan, for the payor's executive officers approved by the Company that augments a benefit provided for in an Employee Benefit Plan, (iv) an agreement financed, in whole or in part, by the Participant to the extent the payments are attributable to the financing provided by the Participant, and (v) social security benefits.

For purposes of clarifying the provisions of the Plan, including Article VI, the Participant shall not be deemed an Employee solely by serving as a non-executive member or Chairman of the Board (or any similar committee of any Employer).

ARTICLE VII - DESIGNATION AND IDENTITY OF BENEFICIARY

7.1 A Participant may designate a Beneficiary by signing, dating and filing with the Secretary of the Company a written instrument setting forth the name(s) and address(es) of the Beneficiary, and if the Beneficiary be more than one person or entity, describing the allocation of the payment benefit among them. A Participant may change his or her designation of a

7

Beneficiary and thereby revoke a prior designation of a Beneficiary at any time and from time to time by filing a new such written instrument with the Secretary. The Beneficiary named in the last unrevoked designation of Beneficiary so filed by the Participant prior to his or her death shall be the Beneficiary for purposes of the Plan. In the absence of a designation of Beneficiary by the Participant, or in the event the last written designation of Beneficiary on file with the Secretary has been revoked by the Participant, the Beneficiary shall be as described in Section 2.1 of the Plan.

7.2 It is a condition of the Company's obligation to make payments to the Beneficiary hereunder that (a) in making payments the Company may, in its sole

and absolute discretion, rely upon signed, written declarations, verifying the identity of a Beneficiary filed with the Secretary of the Company by a person or entity claiming to be such Beneficiary; (b) any payment made by the Company in good faith to any claimant, whether or not such declarations shall have been filed with the Company, shall pro tanto, discharge any obligation the Company might otherwise have to make payment to any and all other actual or possible claimants; (c) any person or entity claiming to be entitled to receive payments hereunder following the death of the Participant shall have recourse only against the person or entity to whom the Company shall have made payment in good faith; and (d) in the event the Company, on advice of counsel, delays payment of any sums becoming due to a Beneficiary by reason of a dispute as to the legitimacy of the claim of such Beneficiary, no interest, penalty or damage shall accrue, become payable by or be assessed against the Company by reason of such delay in payment.

ARTICLE VIII - ADMINISTRATION

8.1 The Plan shall be administered by the Committee. A majority vote of the Committee members shall control any decision of the Committee. The Committee shall have all powers necessary to administer the Plan, including the power to:

(a) make and enforce such rules and regulations as it deems necessary or proper for the administration of the Plan;

(b) interpret the Plan, decide all questions concerning the Plan (whether of fact or otherwise) and determine the eligibility of any person to receive payments hereunder, each in its sole discretion; any such interpretation or determination to be reviewed under an abuse of discretion standard;

(c) appoint such agents, counsel, accountants, consultants, and other persons as may be required to assist in administering the Plan; and

(d) allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan, any such allocation, delegation or designation to be in writing.

8.2 The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in the Plan.

8.3 The Company shall indemnify and hold harmless the members of the Committee and the Board, and any of its delegates, against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan on account of such member's service on the Committee or the Board, or the service of such delegate, except where (i) his or her acts were committed in bad faith or were the result of his or her active and deliberate

dishonesty and were material to such action; or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

ARTICLE IX - CLAIMS PROCEDURE

9.1 If a Participant or Beneficiary ("Claimant") does not receive a benefit to which the Claimant believes he or she is entitled, the Claimant may file a written claim with the Committee. The Claimant's claim will be processed by the Committee within ninety (90) days (in special circumstances, this period may be extended for an additional ninety (90) days by written notice to the Claimant). If the Claimant's claim is denied, he or she will be notified in writing, and such notification will include the reasons for the denial, specific references to pertinent Plan provisions, a description of any additional material or information necessary for the Claimant to perfect the claim, together with an explanation of why the material or information is necessary, and a description of the Plan's claim review procedure, described below, including a statement of the Claimant's right to bring a civil action under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") Section 502(a) following an adverse benefit determination on review.

9.2 If the Claimant is dissatisfied with the Committee's determination, the Claimant may request, in writing, a review by the Board of the Committee's determination. The Claimant also has the right to review and obtain copies of relevant documents and to submit issues and comments in writing. The Claimant must request a claim review not later than sixty (60) days after the date the Claimant receives the Committee's notification. The Board's review shall take into account all comments, documents, records, and other information submitted by the Claimant related to the claim, without regard to whether such information was submitted or considered by the Committee.

9.3 Within sixty (60) days of receipt of a request for review of the disputed claim (in special circumstances, 120 days, by written notice to the Claimant), the Board will review the claim and advise the Claimant, in writing, of its determination. The writing will include the reasons for the Board's decision, specific references to pertinent Plan provisions, a statement that the Claimant is entitled to receive reasonable access to and copies of all documents, records and other information relevant to the claim, and a statement of the Claimant's right to bring a civil action under ERISA Section 502(a). The Board's decision shall be final and conclusive.

ARTICLE X - TERMINATION, SUSPENSION OR AMENDMENT

10.1 The Committee may, in its sole discretion, terminate or suspend the Plan at any time, in whole or in part. The Committee may, in its sole discretion, amend the Plan or a Participant's Senior Executive Restrictive Covenant and Retention Plan Agreement at any time, and from time to time, for any reason. Any amendment, termination or suspension shall be in writing. Except as provided in Section 1.3 of the Plan, no amendment, termination, or suspension may adversely

affect the benefits or rights of a Participant arising under the terms of the Plan or a Senior Executive Restrictive Covenant and Retention Plan Agreement in a material manner without the consent of such Participant.

ARTICLE XI - MISCELLANEOUS

11.1 This Plan is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of management or highly-compensated employees within the meaning of Sections 201, 301, and 401 of ERISA, and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA.

11.2 With respect to rights and benefits derived from the existence of the Plan, Participants shall be unsecured general creditors of the Company, with no secured or preferential right to any assets of the Company or any other party for payment of benefits under this Plan. Any property held by the Company for the purpose of generating the cash flow for benefit payments shall remain its general, unpledged and unrestricted assets.

11.3 The Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Company may establish one or more trusts, with such trustees as the Board may approve, for the purpose of providing for the payment of such benefits. Although such a trust shall be irrevocable, its assets shall be held for payment of all the Company's general creditors in the event of insolvency. To the extent any benefits provided under the Plan are paid from any such trust, the Company shall have no further obligation to pay them. If not paid from the trust, such benefits shall remain the obligation of the Company.

11.4 The Company shall withhold from payments hereunder any taxes required to be withheld from such payments under applicable local, state or federal law. 11.5 The right of a Participant or Beneficiary to receive payments hereunder is personal, non-assignable and non-transferable by operation of law or otherwise. The word "otherwise" in the preceding sentence shall include, without limitation, any execution, levy, garnishment, attachment or seizure by any other legal process. If at the time the Company is to make a payment to a Participant or Beneficiary hereunder the Participant or Beneficiary is not entitled to receive such payment by reason of non-compliance with the provisions of this Section 11.5, the obligation of the Company to make such payment shall forthwith terminate.

11.6 Any payment to be made by the Company to a person under the age of 21 years may be made to such person or to a guardian of the property of such person or to a parent of such person as the Company may, in its sole and absolute discretion, determine. The Company may delay such payment until the Company has received notice of the appointment and qualification of a guardian of the property of such person, and no interest, penalty or damage shall accrue, become payable by or be assessed against the Company by reason of such delay in payment.

11.7 Nothing herein contained shall be deemed to give the Participant the right to remain in the employ of the Employer or to interfere with the right of the Employer to terminate the Participant's employment at any time, nor to give the Employer the right to require the Participant to remain in its employ or to interfere with the Participant's right to terminate employment at any time.

10

11.8 Except as preempted by ERISA, the provisions of this Plan shall be construed and interpreted in accordance with the laws of the State of New York, and is subject to all applicable federal, state and municipal laws and regulations now or hereafter in force.

11.9 If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, and this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

11.10 The failure of any party to insist upon strict adherence to any term of the Plan on any occasion shall not be considered a waiver of any right hereunder, nor shall it deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of the Plan.

11.11 The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns, and to the Participants and their representatives, heirs and estate. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.

11

Omnicom Group Inc.
Senior Executive Restrictive Covenant and Retention Plan.

Form of Award Agreement

THIS AWARD AGREEMENT (this "Agreement"), is entered into as of the day of , (the "Effective Date"), by and between Omnicom Group Inc., a New York corporation (the "Company"), and ("Executive").

WITNESSETH:

WHEREAS, Executive is presently employed by the Company in a key executive position and possesses substantial talent, ability and unique business experience which has been and will continue to be of great value to the Company; and

WHEREAS, the Company has adopted the Omnicom Group Inc. Senior Executive Restrictive Covenant and Retention Plan attached hereto as Exhibit A (the "Plan") to secure non-competition, non-solicitation, non-disparagement and consulting agreements with its key executives for a significant period of time, and strengthen the retention aspects of the total compensation of its key executives; and

WHEREAS, the Committee has selected Executive to be a Participant in the Plan.

NOW, THEREFORE, the Company and Executive hereby agree to the terms of the Agreement as follows:

1. Definitions. All capitalized terms used in this Agreement without definition shall have the meanings ascribed in the Plan.

2. Incorporation of Terms of Plan. This Agreement is subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

3. Benefit. In consideration of Executive's agreement to remain in the service or employ of the Company or one of its Subsidiaries, and for other good and valuable consideration, including but not limited to the compliance by Executive with Articles III and IV of the Plan, as of the Effective Date Executive shall be entitled to receive a benefit under Article VI of the Plan, subject to and in accordance with the terms of the Plan.

4. Not a Contract of Employment. Nothing in this Agreement or in the Plan shall confer upon Executive any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries.

6. Governing Law. Except as exempted by the Employee Retirement Income Security Act of 1974, as amended, the laws of the State of New York shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

7. Amendment, Termination and Suspension. To the extent permitted by the Plan, this Agreement may be wholly or partially amended, terminated or suspended at any time or from time

to time by the Committee, provided, that, except as may otherwise be provided by the Plan, no amendment, termination or suspension of this Agreement shall adversely affect the benefits or rights of Executive arising under the terms of the Plan or this Agreement in a material manner without the consent of Executive.

8. Entire Agreement. The Plan and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Executive with respect to the subject matter hereof.

9. Section 409A. Notwithstanding any other provision of the Plan or this Agreement, the Plan and this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the U.S. Internal Revenue Code of 1986, as amended (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). The Committee may, in its discretion, adopt such amendments to the Plan or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate to comply with the requirements of Section 409A.

IN WITNESS WHEREOF, as of the Effective Date, the parties hereto have executed this Agreement.

OMNICOM GROUP INC.

By: _____
Name:
Title:

EXECUTIVE

Name :