

OMNICOM GROUP INC.  
Form DEF 14A  
April 12, 2018  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

CHECK THE APPROPRIATE BOX:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**OMNICOM GROUP INC.**

(Name of Registrant as Specified In Its Charter)  
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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- 1) Amount previously paid:
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  - 3) Filing Party:
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-

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Proxy Statement

2018  
Annual Meeting of  
Shareholders

May 22, 2018 at 10:00 a.m. Eastern Daylight Time

15<sup>th</sup> Floor Conference Center  
220 East 42<sup>nd</sup> Street  
New York, NY 10017

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**A Letter from Omnicom's Board of Directors**

**To Our Fellow Shareholders:**

Over the past few years, the Board has been highly focused on a plan for Board and management succession. The Board has taken several important steps this year to further advance this process and would like to provide an update to our shareholders on key developments.

The Board has made great progress on its refreshment initiative. In that effort, we have been focused on ensuring that our Board is representative of all of our constituencies – our clients, our employees, and our shareholders. Through our efforts, we have succeeded in bringing to you a highly talented and diverse Board slate. A majority of Omnicom's independent directors at the 2018 Annual Meeting will be female. Further, four of our directors are African American and a majority of the Audit, Compensation, and Governance Committees are comprised of female directors, with female directors Chairing both the Audit and Compensation Committees.

In light of changes underway, the Board appointed three new Committee Chairs – Mary C. Choksi as Chair of the Audit Committee, Robert Charles Clark as Chair of the Governance Committee and Leonard S. Coleman as Chair of the Finance Committee. Susan S. Denison will continue to serve as the Chair of the Compensation Committee.

Since last year's Annual Meeting, two new independent directors, Gracia C. Martore and Ronnie S. Hawkins, have been appointed to the Board. Ms. Martore is the former President and Chief Executive Officer of TEGNA Inc. and Mr. Hawkins is a Managing Director, Head of International Investments and member of the Investment Committee of EIG Global Energy Partners. Each of Ms. Martore and Mr. Hawkins bring critical skills to the Board's overall mix of skill sets which strengthen the Board's collective ability to effectively oversee management and the implementation of Omnicom's plan for long-term strategic growth.

In line with the Board's previously disclosed retirement age policy, Omnicom's Executive Board Chair Bruce Crawford is retiring at this year's Annual Meeting. The entire Board and management team thank Mr. Crawford for his dedicated leadership and the valuable insights he has shared over the years.

In addition to Mr. Crawford, two other long-serving directors, Jack R. Purcell and John R. Murphy, will also be retiring at this year's Annual Meeting. As dedicated members of the Board, Mr. Purcell served as Chair of our Governance Committee and Mr. Murphy served as Chair of our Audit Committee. The entire Board and management team thank Messrs. Purcell and Murphy for their longstanding commitment to Omnicom.

In anticipation of Mr. Crawford's retirement, the Board spent considerable time reevaluating its leadership structure and assessing various succession options. The Board strongly believes that it needed to maintain flexibility to determine the evolving leadership structure for the Company, and that this must be considered in the context of the specific circumstances, business, culture and unique challenges that the Company faces.

Ultimately, the Board recognized that it is critical to the future success of our Company for Mr. Wren, our CEO, to serve as Chair upon Mr. Crawford's retirement. Through extensive shareholder engagement, the Board learned that in light of our strong Lead Independent Director role coupled with the complexity of our Company and our business, shareholders were largely supportive of this Board leadership structure. The Board, upon recommendation of the Governance Committee, therefore unanimously determined that at this time it would be in the best interests of the Company and its shareholders to combine the roles of Chairman and CEO.

In making the decision to appoint CEO John Wren as Chairman, the Board considered the complex nature of our Company and our business, and that our success is based on retaining the most talented individuals to best serve our clients. Ensuring

executive-level continuity in the CEO and Chair roles is integral to supporting the transition of these client

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relationships, which have been built on trust and support over many years. The Board also took into consideration our Company's organizational realignment, which Mr. Wren designed and is implementing to successfully guide our Company through a time of rapid change and disruption within our industry. Market-wide acceleration of technological advances and a shifting competitive landscape that affect Omnicom's businesses underscore the importance of the changes to Omnicom's practice areas and the reconstituted reporting structure that Mr. Wren has spearheaded. Mr. Wren's focus is on leveraging the Company's existing network and client service matrix organizational structures to build a best in class leadership team and position Omnicom for sustainable long-term growth in an increasingly complex global landscape. As we undergo this next phase of strategic realignment, Mr. Wren's guidance and leadership will continue to be critical. At the same time, the Board recognized the importance of identifying and developing a strong internal bench of future Omnicom leaders and made progress against this initiative.

The Board carefully considered shareholder perspectives on Omnicom's leadership structure through extensive outreach conducted over the last seven months. Omnicom reached out to shareholders representing more than 70% of our outstanding shares and engaged with the holders of approximately 40% as part of our continued efforts to foster an open dialogue with shareholders. We explained the reasons why it is critical to our business that Mr. Wren serve as both Chair and CEO and the vast majority of investors who accepted our offer to engage agreed with our case-by-case approach considering relevant factors. These investors indicated a preference for independent leadership on the Board, and were supportive of a lead independent director provided the scope and nature of the role were robust and well-defined. The Board believes that the Lead Independent Director structure it has maintained exceeds these requirements and has and will continue to provide significant value during this period of transition. Our Lead Independent Director role at Omnicom includes significant responsibilities, similar to those typically associated with a Chair (see page 26 for a full list of these responsibilities). Leonard S. Coleman is our Lead Independent Director, and it is anticipated that he will continue in this role over the next several years to provide continuity and stability while we experience change at the Board and management levels. Mr. Coleman has been an active participant in our dialogue with shareholders and has engaged directly on this topic, as well as others discussed in more detail in our proxy statement.

In addition to Mr. Coleman's leadership, the Board also recognizes that the collective abilities and strengths of each of our directors promotes a culture of transparency and accountability that has guided, and will continue to guide, our successful performance – regardless of the form in which we provide for independent leadership.

**The Independent Members of Your Board of Directors**

**Leonard S. Coleman, Jr.**  
*Lead Independent Director*

**Alan R. Batkin**

**Mary C. Choksi**

**Robert Charles Clark**

**Susan S. Denison**

**Ronnie S. Hawkins**

**Deborah J. Kissire**

**Gracia C. Martore**

**John R. Murphy**

**John R. Purcell**

**Linda Johnson Rice**

**Valerie M. Williams**

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**NOTICE OF 2018 ANNUAL MEETING OF  
SHAREHOLDERS**

**Subject:**

1. Elect the directors named in the Proxy Statement accompanying this notice to the Company's Board of Directors to serve until the Company's 2019 Annual Meeting of Shareholders or until the election and qualification of their respective successors.
2. Vote on an advisory resolution to approve executive compensation.
3. Ratify the appointment of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2018.
4. Vote on the shareholder proposal described in the accompanying Proxy Statement, if properly presented at the 2018 Annual Meeting of Shareholders.

The Board unanimously recommends that you vote:

**FOR** each of the director nominees;

**FOR** the advisory resolution to approve executive compensation;

**FOR** the ratification of the appointment of KPMG LLP as our independent auditors; and

**AGAINST** the shareholder proposal described in the accompanying Proxy Statement.

Shareholders will also transact any other business that is properly presented at the meeting. At this time, we know of no other matters that will be presented.

In accordance with the rules promulgated by the U.S. Securities and Exchange Commission, we sent a Notice of Internet Availability of Proxy Materials on or about April 12, 2018, and provided access to our proxy materials on the Internet, beginning on April 12, 2018, for the holders of record and beneficial owners of our common stock as of the close of business on the record date.

Please sign and return your proxy card or vote by telephone or Internet (instructions are on your proxy card), so that your shares will be represented at the 2018 Annual Meeting of Shareholders, whether or not you plan to attend. If you do attend, you will be asked to present valid photo identification, such as a driver's license or passport, before being admitted. Cameras, recording devices and other electronic devices will not be permitted at the meeting. Additional information about the meeting is included below in this Proxy Statement in the section entitled "Information About Voting and the Meeting."

**Michael J. O'Brien**  
*Secretary*

New York, New York  
April 12, 2018

**Meeting Date:**

Tuesday, May 22, 2018

**Time:**

10:00 a.m. Eastern Daylight Time

**Place:**

15<sup>th</sup> Floor Conference Center  
220 East 42<sup>nd</sup> Street  
New York, NY 10017

**Record Date:**

April 2, 2018

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This summary highlights selected information about the items to be voted on at the 2018 Annual Meeting of Shareholders. This summary does not contain all of the information that you should consider in deciding how to vote. You should read the entire proxy statement carefully before voting.

**Meeting Agenda and Voting Recommendations**

The Board recommends a vote **FOR** each of the director nominees.

We have conducted a comprehensive evaluation of director skill sets to ensure that each director's unique qualifications and attributes collectively support the oversight of Omnicom's management.

A majority of our director nominees are female and four are African American. Diversity is a core value at every level of our organization.

Ten of Omnicom's eleven director nominees are independent and each of the Audit, Compensation, Governance and Finance Committees is Chaired by an independent director.

Each of our directors is elected annually by majority vote.

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for further  
information

**DIRECTOR NOMINEES**

<b>Name and Age</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Omnicom Committees</b>	<b>Other Current Public Company Boards</b>
	Chairman and Chief Executive Officer of Converse	2008	<b>C</b>	Cantel Medical Corp.
Alan R. Batkin, (I), 73	Associates, Inc. Former Founding Partner and Senior Manager of Strategic	2011	<b>F</b> <b>A (Chair)</b>	Pattern Energy Group, Inc. Avis Budget Group
Mary C. Choksi, (I), 66	Investment Group Harvard University Distinguished Service Professor,	2002	<b>C</b> <b>A</b>	White Mountains Insurance Group, Ltd. Time Warner Inc.
Robert Charles Clark, (I), 74	Harvard Law School Former Senior Advisor, Major League Baseball	1993	<b>G (Chair)</b> <b>C</b> <b>G</b>	Avis Budget Group Electronic Arts Inc.
Leonard S. Coleman, Jr., (I), 69 <b>Lead Independent Director</b>	Former Chairman, Arena Co. Former Partner,	1997	<b>F (Chair)</b> <b>C (Chair)</b> <b>G</b>	Hess Corporation
Susan S. Denison, (I), 71	Cook Associates	2018	<b>F</b>	
Ronnie S. Hawkins, (I), 49	Managing Director, Head of			



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	International Investments and member of the Investment Committee, EIG Global Energy Partners				
Deborah J. Kissire, (I), 60	Former Vice Chair and Regional Managing Partner, EY	2016	A F		Cable One, Inc. Axalta Coating Systems Ltd.
	Former President and Chief Executive Officer, TEGNA Inc.	2017	A		WestRock Company
Gracia C. Martore, (I), 66	Chairman and Chief Executive Officer, Johnson Publishing Company and Fashion Fair Cosmetics	2000	G G C		United Rentals, Inc. Tesla, Inc. Grubhub Inc.
Linda Johnson Rice, (I), 60	Former Southwest Assurance Managing Partner, EY	2016	A		WPX Energy, Inc.
Valerie M. Williams, (I), 61	President and Chief Executive Officer, Omnicom		F		
John D. Wren, 65		1993			

(I): Independent

A: Audit

C: Compensation

F: Finance

G: Governance

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### PROXY SUMMARY

#### Board Snapshot

##### **Independence**

**10 of 11** are independent

##### **Diversity**

Women & Multicultural Directors

##### **Current Tenure of 2018 Nominees**

##### **Experience and Skills**

Our director nominees are accomplished leaders who bring a mix of experiences and skills to the Board.

Our Board has identified skill categories fundamental to its ability to effectively oversee Omnicom's strategy and management, and undertakes a comprehensive evaluation to ensure these skills are well represented on the Board.

See page 12 for further information.

Omnicom has an engaged Board: 100% meeting attendance in 2017.

## **GOVERNANCE HIGHLIGHTS**

The Board has adopted, and periodically reviews, policies and procedures to guide it in its oversight responsibilities. These policies and procedures provide a framework for the proper operation of our company and align with shareholders' interests.

##### **Shareholder Rights**

Annual election of all directors  
Majority voting standard in uncontested elections  
Proxy access rights  
Right to call a special meeting of the Board  
Continued efforts to foster a successful shareholder outreach program

##### **Independent Oversight**

Engaged Lead Independent Director with clear responsibilities  
All directors are independent except the CEO  
Executive sessions of our independent non-management directors  
Independent Board committees  
Comprehensive oversight of strategy and risk

##### **Good Governance**

Annual Board and Committee evaluations and skill set assessment  
Director orientation and continuing education  
Strong equity ownership requirement for executives (3x to 6x base salary)  
Robust processes for confidential and anonymous submission by employees of concerns regarding accounting or auditing matters, as well as potential violations of our Code of Business Conduct or Code of Ethics for Senior Financial Officers

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### PROXY SUMMARY

## **SHAREHOLDER ENGAGEMENT**

Ongoing shareholder engagement is a priority for our Board and management team. In 2017, we reached out to shareholders holding more than 70% of our outstanding shares and engaged with approximately 40% of outstanding shares. Mr. Coleman, our Lead Independent Director, actively participated in investor meetings with over 20% of outstanding shares. Broad topics discussed included:

- Company strategy and performance
- Board composition, refreshment and leadership
- Inclusion and diversity efforts across the organization
- Sustainability initiatives
- Executive compensation program

Below is a summary of topics discussed in all shareholder meetings along with the actions taken by our Board:

### **Key topics discussed with shareholders**

**Board Leadership** – The majority of our shareholders indicated they were supportive of combining the Chair and CEO positions given our strong Lead Independent Director role and the complex nature of our Company and our business

**Board Refreshment** – Shareholders were pleased with the level of progress we have shown to meaningfully refresh our Board

We appreciated the insights and perspectives of our shareholders, which were discussed among the full Board and factored into its decision making process for the year.

### **Board actions**

Based on shareholder feedback, we elected a new director to serve as Lead Independent Director in December 2015 who was re-elected by the independent directors in May 2016 and 2017

The role and responsibilities of our Lead Independent Director are robust and clearly defined

The Board has implemented a thoughtful approach to refreshment, including adoption of a mandatory retirement policy, which is fostering a smooth transition

Two directors stepped down from the Board in 2016 and a third stepped down in 2017

Our Chairman and two additional directors will step down from the Board at the 2018 Annual Meeting

From March 2016 – February 2018, the Board appointed four new independent directors

The Board anticipates continued Board refreshment over the next few years and will continue its search for qualified director candidates, with ongoing assistance by a third-party search firm

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### PROXY SUMMARY

The Board recommends a vote **FOR** this voting item.

We closely tie pay to current and long-term Company performance;

We maintain a high degree of variable, “at-risk” compensation;

We establish challenging performance metrics that align with our business strategy; and

We sustain competitive compensation levels.

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information

## **EXECUTIVE COMPENSATION HIGHLIGHTS**

Omnicom strives to closely link executive compensation to performance by making a significant portion of potential compensation variable, or “at-risk”, as well as long-term performance driven. In 2017, we compensated our named executives using the following elements for total target direct compensation.

### **Description**

Base Salary	Fixed amount based on responsibilities, experiences and market data.
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**4%** of our CEO's 2017 compensation was base salary. For each NEO, the majority of total compensation is variable and based on performance.

Annual Cash Incentive	Awards are based on goals that are meaningful and challenging, and designed to drive shareholder value.
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**96%** of our CEO's 2017 compensation was variable and based on performance

Performance Restricted Stock Units (2021 vesting)	The Performance Restricted Stock Units (the “PRSU”) awards are contingent upon further performance conditions of the Company by tying the percentage of the award that is earned after a three-year period to the Company's return on equity for that future three-year period compared to our Peer Metric Group.
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**43%** of our CEO's 2017 compensation was also contingent upon the future performance of the Company.

### **Compensation Best Practices**

- Emphasis on performance-based compensation
- Executive and director stock ownership guidelines (6x base salary for CEO; 3x base salary for CFO)
- Policy adopting equity grant best practices
- Compensation forfeiture/clawback policy
- Policy prohibiting hedging of company equity securities

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PROXY SUMMARY

The Board recommends a vote **FOR** this voting item.

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for further  
information

The Board recommends a vote **AGAINST** this voting item.

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