

MOALLI JOHN E
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FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MOALLI JOHN E

(Last) (First) (Middle)
149 COMMONWEATH DRIVE
(Street)

MENLO PARK, CA 94025

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
EXPONENT INC [EXPO]

3. Date of Earliest Transaction
(Month/Day/Year)
03/11/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Group Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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COMPENSATION DISCUSSION AND ANALYSIS

This discussion and analysis of our compensation program for named executive officers should be read in conjunction with the accompanying tables below and text disclosing the compensation awarded to, earned by or paid to the named executive officers.

The discussion and analysis in this Compensation Discussion and Analysis or CD&A focuses on our chief executive officer, Mr. Nadal, and other named executive officers who are listed in the Summary Compensation Table and other compensation tables in this Proxy Statement, namely, Messrs. Doft, Pustil, Gendel and Sabatino. Throughout this discussion, we refer to the Chief Executive Officer as our CEO and to these individuals as a group as our named executive officers or NEOs .

EXECUTIVE SUMMARY

Exceptional Financial Results and Superior Stock Price Performance in 2013 (260.7% Total Shareholder Return)

For the year ended December 31, 2013, MDC achieved total shareholder return of 260.7%. The average total shareholder return for the year achieved by MDC's peer group (as described below) was 69.9%, and as a result MDC significantly outperformed this group by 272.7%. The peer group used for these purposes, as suggested by an independent consultant, included the following marketing services and media companies: Arbitron, Central European Media, Dreamworks Animation, John Wiley & Sons, Lee Enterprises, Morningstar, Scholastic, EW Scripps, New York Times, Belo, Cumulus Media, Harte-Hanks, Lamar Advertising, Meredith Corporation, National CineMedia, Sinclair Broadcast, McClatchy, and Valassis. These entities were determined to be relevant and appropriate peers given the applicable marketing and/or media industry in which they each operate, as well as their relative enterprise value, revenues and number of employees.

In addition to its total shareholder return performance, MDC delivered extremely strong overall financial results for 2013, as described further under the heading of Management's Discussion and Analysis in the Company's Annual Report on Form 10-K for the year ended December 31, 2013. Organic revenue growth far outpaced the industry, and the Company exceeded all of its internal EBITDA, EBITDA margin, free cash flow and organic growth targets. In addition to the foregoing metrics, the company successfully refinanced its balance sheet in March 2013 to position the Company for continued growth in 2013 and beyond, while at the same time materially reducing its interest burden and overall cost of capital.

The chart below summarizes certain key financial results for 2013 as compared to 2012:

	2013	2012	% Change
Revenue	\$1.15 billion	\$1.06 billion	+ 8.1 %
EBITDA	\$159.4 million	\$119.7 million	+ 33.1 %
Organic Revenue Growth			+ 8.3 %
Total Shareholder Return MDC Partners	260.7%		
Total Shareholder Return Peer Group	69.9%		

As used in this Proxy Statement, the following terms have the following definitions:

EBITDA is a non-GAAP measure that represents operating income (loss) plus depreciation and amortization, stock-based compensation, acquisition deal costs, deferred acquisition consideration adjustments, one-time incentive payment and profit distributions from affiliates, adjusted for certain items at the discretion of the Compensation Committee. A reconciliation of **EBITDA** to the US GAAP reported results of operations for the period ended December 31, 2013 has been provided by the Company in the tables included in the Company's Current Report on Form 8-K filed on February 20, 2014.

EBITDA margin is equal to the quotient of EBITDA (as defined) divided by revenue.

Shareholder Outreach: Compensation Program and Policy Changes in Response to Shareholder Engagement

In 2013, we held an annual advisory vote to approve named executive officer compensation, commonly known as Say on Pay. Approximately 50.1% of the votes cast voted in favor of our executive compensation program as disclosed in our 2013 Proxy Statement. While representing majority support for the named executive officer compensation, these results were below what we deem satisfactory, and as a result we undertook a concentrated effort to focus on shareholder outreach and solicitation of feedback during the course of 2013 and in the first quarter of 2014.

Throughout the past year, and following our 2013 Say on Pay result, the Chair and Presiding Director of the Human Resources & Compensation Committee of the Board (the **Compensation Committee**), along with senior members of management, met with a diverse mix of our institutional investors representing more than 60% of the outstanding Class A shares held by outside investors. Management also reviewed governance and compensation policies of leading proxy advisory service firms in an effort to better understand, and respond to, the shareholder concerns potentially affecting our Say on Pay results.

Principal Compensation Actions in 2013 and 2014

In response to valuable shareholder feedback in 2013 and the Company's continuous efforts to implement executive compensation programs that align the interests of management with the interests of shareholders, we made the following important changes to our executive compensation program and Corporate Governance Guidelines:

Pay for Performance; 2013 Incentives Based Solely on Exceptional Financial Performance Metrics. In 2013, the Compensation Committee further affirmed its commitment to utilizing pay-for-performance incentive arrangements by paying incentive awards to its NEOs based solely on the achievement of financial targets, and by designing and implementing a new long-term incentive plan (the 2014 LTIP Plan) with payments based solely on the achievement of objective performance targets.

2013 Incentive Awards. The Company's overall financial performance for 2013 dramatically and substantially exceeded the financial targets established by the Compensation Committee. Specifically, the Company's 2013 financial performance of EBITDA (\$159.4 million as reported) significantly exceeded the Company's baseline EBITDA target of \$118.4 million and stretch EBITDA target of \$127.9. Further, the Company's 2013 EBITDA margin increased 260 basis points to 13.9%, as compared to 11.3% in 2012 and 9.8% in 2011. This exceptional financial performance was the basis for the Compensation Committee's executive compensation decisions in 2013, rather than any discretionary factors. In addition, a significant component of the 2013 incentive (\$9.6 million) paid to our CEO, Miles Nadal, was based upon the contractual achievement on October 24, 2013, of the Company's Class A share price averaging Cdn\$30 for twenty (20) consecutive days. This one-time contractual incentive was made pursuant to an agreement entered into between the Company and Mr. Nadal in 2001, and achievement of the Cdn\$30 per share price represented a substantial appreciation in the Company's Class A share price.

New 2014 LTIP Incentive Plan. In 2013 the Compensation Committee also engaged Mercer Consultants to assist in designing a new long-term incentive program to enhance our pay-for-performance alignment. Specifically, as part of this new 2014 LTIP Plan, we discontinued a legacy policy of granting long-term awards that vest solely based upon the lapse of time or continued employment, and introduced key financial performance metrics that must be achieved in order to trigger cash payments in future periods. The new 2014 LTIP Plan increases alignment with our shareholders by utilizing objective financial performance targets (cumulative EBITDA over a three year period) as a primary performance metric and total shareholder return as a second performance metric. In addition, the extension of this LTIP plan to other key executive officers of the Company is expected to enhance executive retention and focus on financial performance.

Repayment of all outstanding loans by the CEO. In 2012 and early 2013, in response to shareholder concerns regarding the outstanding legacy loans previously due and payable to MDC Partners by our CEO, the Board took steps to ensure that these loans were fully repaid and satisfied in full. Mr. Nadal promptly complied with this direction. As disclosed in our April 2013 Proxy Statement, as of April 2013, Mr. Nadal repaid and satisfied in full the remaining balance of all previously outstanding loans made to him by the Company, such that there is currently \$0 remaining due and owing to the Company in respect of all of his prior loans. In addition, no new loans will be granted to the CEO or other NEOs in the future, as the Company's Corporate Governance Guidelines expressly prohibit the Company from making any new loans or extensions of credit to the Company's directors or executive officers.

Re-evaluation of our Peer Group. In 2013, and in response to comments from advisory firms that the Company's list of peer companies was too narrow and aspirational, the Compensation Committee modified its peer list of companies. Although the Company believes that its primary competitors remain Interpublic, Omnicom and WPP, the Compensation Committee utilized a much broader list of peer companies in its comparator group in determining 2013 incentive compensation awards in order to better assess relative financial performance and shareholder returns. This expanded peer list includes Arbitron, Central European Media, Dreamworks Animation, John Wiley & Sons, Lee Enterprises, Morningstar, Scholastic, EW Scripps, New York Times, Belo, Cumulus Media, Harte-Hanks, Lamar Advertising, Meredith Corporation, National CineMedia, Sinclair Broadcast, McClatchy, and Valassis. Notably, the Company's total shareholder return (TSR) of 260.7% substantially exceeded the TSR percentage return of this new list of peer companies, which was equal to 69.9%. These entities were determined to be relevant and appropriate peers given the applicable marketing and/or media industry in which they each operate, as well as their relative enterprise value, revenues and number of employees.

Prohibition on New Pledges or Hedging of Company's Stock. In response to concerns raised by shareholders and a desire to reflect strong corporate governance, the Board adopted a policy in 2013 to prohibit any new pledge or hedging of the Company's stock by officers and directors of the Company. This policy became effective in June 2013. Management has always believed that stock ownership by executive officers and Board members is a critical element in aligning their interests with those of our shareholders and to the extent any shares have been pledged by management, such pledging was used in order to not have to sell stock in order to diversify. Indeed, our management team owns more shares of Company stock than any of its peer companies on a comparative basis, and therefore has more than sufficient equity at stake to incentivize performance and drive shareholder returns. In fact, a majority of our senior executives have a substantial majority of their net worth invested in Company stock. This alignment with long-term shareholders' interests is further evidenced by the Company's expansive stock ownership guidelines, discussed below, which, among other things, require the CEO to own stock with a value of at least five times his base salary. In addition, management consistently hears from investors that they greatly appreciate the fact that management owns and holds for the long-term significant amounts of Company stock, portions of which were purchased in the open market.

Clawback Requirement. In connection with the 2013 annual incentive awards granted to each of the named executive officers based on the Company's 2013 financial performance, each of the named executive officers will be required to repay a pro rata portion of this award in the event that he resigns or is terminated for cause prior to December 31, 2016. The Compensation Committee believes that this clawback requirement will appropriately promote the retention of its NEOs.

2014 Financial Performance-Based Equity Incentive Awards. In 2014, the Compensation Committee determined to remove and eliminate time-based vesting requirements for new equity incentive awards. Accordingly, all new grants to executive officers contain financial performance-based vesting requirements.

We firmly believe that the reexamination and implementation of critical changes to our pay-for-performance philosophy have addressed many of our key shareholders' concerns, together with our new long-term incentive program implemented in 2014. When casting your 2014 Say-on-Pay vote, we encourage you to consider the Company's exceptional financial results and stock price performance in 2013; the Compensation Committee's commitment to pay-for-performance based on objective financial criteria; the design of our new 2014 long-term incentive program with its pay-for-performance alignment; and our direct and constructive engagement with our shareholders.

OVERVIEW OF OUR COMPENSATION PROGRAM FOR NAMED EXECUTIVE OFFICERS

The Company traditionally uses a mix of short- and long-term and fixed and variable elements in compensating the NEOs: base salary; annual cash bonus incentives; incentives in the form of restricted stock and restricted stock units granted pursuant to the 2011 Stock Incentive Plan; SARs granted under the SARs Plan and, on a one-time basis in 2011 only, equity value appreciation awards (EVARs) granted under the EVARs program.

To that end, in 2013, the Compensation Committee reaffirmed its compensation strategy to appropriately link compensation levels with the creation of shareholder value by:

- Focusing our executives on achieving those key objectives critical to successfully implementing the Company's business strategy and achieving annual and long-term financial performance goals;
- Holding executives directly accountable for results by making a significant portion of compensation based on achievement of corporate and individual performance objectives and creation of shareholder value;
- Aligning the interests of our executives with the interests of our shareholders;
- Providing total compensation capable of attracting, motivating and retaining executives of outstanding talent;
- Emphasizing pay tied to performance as a meaningful component of total compensation potential;
- Imposing appropriate clawback or repayment requirements for cash incentive awards in the event of resignation of employment or termination for cause; and
- Safeguarding the Company's business interests, including protection from adverse activities by the executive during and after employment.

Compensation Philosophy

The Compensation Committee has reviewed its compensation philosophy and objectives in light of the current economic environment and believes its compensation strategy remains appropriate. To accomplish these objectives, the Compensation Committee has determined that the levels of compensation available to NEOs who successfully enhance corporate and shareholder value should be competitive with the compensation offered by other organizations that potentially compete for their services. This is critical to our ability to recruit and retain executives who have demonstrated the qualities of leadership, a sharing of our values, and the energy and vision to guide the Company. In addition, the Compensation Committee has structured the NEO's compensation to tie a significant portion of their compensation to achievement of individual performance objectives, as communicated in advance by the Compensation Committee and subject to the ultimate discretion of the Compensation Committee. This pay-for-performance approach to compensation applies throughout the organization, including for executives below the NEO level and for employees and management team members at the Company's operating partners. In addition, as part of the new 2014 LTIP Plan, the Compensation Committee discontinued its legacy policy of granting long-term awards that vest solely based upon the lapse of time or continued employment, and introduced key financial performance metrics that must be achieved in order to trigger cash payments in future periods. The new 2014 LTIP Plan increases alignment with our shareholders by utilizing objective financial performance targets (cumulative

EBITDA over a three year period) and total shareholder return as a second performance metric.

Risk Assessment

The Compensation Committee reviews with management the design and operation of the Company's performance goals and metrics used in connection with incentive awards and determined that, although these policies in some instances may encourage risk-taking, (i) these policies do not provide the Company's executive officers or other employees with incentive to engage in risk-taking business activities or other behavior that are reasonably likely to have a material adverse effect on the Company and (ii) the level of risk-taking that the Company's performance goals and metrics may incentivize is reasonable and appropriate for the business of the Company. As discussed below in greater detail, the principal measures of our business performance to which named executive officer compensation is tied are EBITDA (as defined below), organic revenue growth and, in the case of equity incentive awards, the value returned to shareholders as measured by potential stock price appreciation.

Process for Determining the Compensation of our Named Executive Officers

Our Compensation Committee. The Compensation Committee is composed of the six independent, non-employee directors. The Compensation Committee oversees the Company's executive compensation and benefit plans and practices, including its incentive compensation and equity-based plans, and reviews and approves the Company's management succession plans. Specifically, the Compensation Committee determines the salaries and the performance measures and awards under the annual bonus incentive program for the Chief Executive Officer and other named executive officers. The Compensation Committee also determines the amount and form of long-term incentive awards, which typically take the form of equity incentive grants, including shares of restricted stock or restricted stock units under the 2011 Stock Incentive Plan and 2008 Key Partner Incentive Plan, and stock appreciation rights (SARs) under the SARs Plan.

Engagement of Compensation Consultant. Since 2010, the Compensation Committee has retained Mercer Human Resource Consulting (**Mercer**), a compensation consulting firm, to provide objective analysis, advice and information to the Compensation Committee, including competitive market data and recommendations related to CEO and other named executive officer compensation. Mercer reports to the Compensation Committee Chairman and has direct access to Compensation Committee members. In 2013, the Compensation Committee engaged Mercer to assist in designing the new 2014 LTIP Plan to enhance pay-for-performance alignment. In accordance with Nasdaq listing standards, the Compensation Committee assessed the independence of Mercer and determined that it was independent and its work does not raise any conflict of interest.

Mercer has attended Compensation Committee meetings at the Compensation Committee's request and has also met with the Compensation Committee in person or by telephone in executive session without management present. In particular, the Compensation Committee worked with Mercer to structure performance-based annual and long-term incentive programs designed to retain the Company's executive management team and to motivate them to achieve goals that increase shareholder value. The Compensation Committee sought to ensure that its incentive plans properly align management incentive compensation targets with the performance targets most relevant to shareholders. The Compensation Committee also considered recent trends in executive compensation. The decisions made by the Compensation Committee may reflect factors and considerations other than the information and recommendations provided by any consultant.

Role of Named Executive Officers in Compensation Decisions: Input from Senior Management. The Compensation Committee considers input from senior management in making determinations regarding the overall executive compensation program and the individual compensation of the named executive officers. As part of the

Company's annual planning process, the CEO, CFO and Vice Chairman develop targets for the Company's incentive compensation programs and present them to the Compensation Committee. These targets are reviewed by the Compensation Committee to ensure alignment with the Company's strategic and annual operating plans, taking into account the targeted year-over-year improvement as well as identified opportunities and risks. Based on performance appraisals, including an assessment of the achievement of pre-established financial and individual key performance indicators, the CEO and Vice Chairman recommend to the Compensation Committee cash and equity incentive award levels for the Company's other executive officers. Each year, the CEO and Vice Chairman present to the Compensation Committee their evaluation of each executive officer's contribution and performance over the past year, and strengths and

development needs and actions for each of the executive officers. The Compensation Committee exercises its discretionary authority and makes the final decisions regarding the form of awards, targets, award opportunities and payout value of awards.

ELEMENTS OF OUR COMPENSATION PROGRAM FOR OUR NAMED EXECUTIVE OFFICERS

The following table details the elements of our compensation program which are designed to achieve our compensation objectives for the named executive officers:

Compensation Program Elements	Description	How This Element Promotes Company Objectives
Base Salary	Fixed annual compensation that provides ongoing income.	Intended to be competitive with marketplace and reflect the executive's minimum relative value to the Company.
Annual, Short-Term Cash Incentive Awards; Repayment or Clawback Requirements	Opportunity to earn performance-based compensation if the Company achieves financial performance goals, and if the executive achieves individual key performance indicators (KPIs). In 2013, the financial performance goals were based on the Company's EBITDA (which significantly exceeded the base EBITDA target and stretch target), and organic revenue growth (which significantly exceeded that of MDC's peer companies). In 2013, the Company also required each executive officer (including each NEO) to agree in writing to repay the Company a portion of their respective cash incentive payment if he/she resigned his/her employment or was terminated for cause prior to December 31, 2016.	Motivates and rewards achievement of annual corporate and personal objectives that build shareholder value. Repayment or clawback requirements encourage executive retention.
Full-Value Equity Incentive Awards (RSUs or Restricted Stock)	Opportunity to earn equity incentive awards based upon three-year vesting terms and/or achievement of financial performance of the Company.	Promotes achievement of key multi-year corporate objectives; the vesting requirements of these incentive awards are designed to motivate executives to achieve goals that align the executive's interests with shareholders. Long-term vesting promotes executive retention.
Stock Options/Stock Appreciation Rights	Stock options represent the right to acquire shares of the Company's Class A stock, based on an exercise price determined on the date of grant. An award of SARs represents the right to receive cash	More highly leveraged risk and reward alignment with shareholder value; service-based vesting

or shares of the Company based upon the appreciation of the fair market value of the stock price following the date of grant. The Company did not issue any new Options or SARs in 2013. promotes executive s retention.

Compensation Program Elements	Description	How This Element Promotes Company Objectives
EVARS (agreements to issue equity awards conditioned upon extraordinary financial performance and shareholder value creation)	In January 2011, the Company issued EVARs to the Company's senior executives, with grant and vesting terms of the underlying equity awards conditioned upon extraordinary financial performance and equity value appreciation in excess of \$20 per Class A share (and \$26.25 per Class A share for 100% vesting) during the three-year period of 2011–2013. These 2011 awards vested in 2013 based on the Company's exceptional stock price appreciation in excess of the vesting targets. The Company did not issue any new EVARs in 2012, 2013 or 2014.	Grant and vesting requirements of these incentive awards are designed to motivate executives to achieve stretch goals that align the executive's interests with shareholders, based on extraordinary financial performance and shareholder value creation. Performance-based vesting also promotes executive retention.
Severance Payments and Benefits, Including after a Change in Control	Payments and benefits upon termination of an executive's employment in specified circumstances.	Intended to provide assurance of financial security to attract lateral hires and to retain executives, especially in disruptive circumstances, such as a change in control and leadership transitions; encourage management to consider transactions that could benefit shareholders.
Benefits	Health and welfare benefits.	Fair and competitive programs to provide family health care protection, facilitate recruitment and retention.
Perquisites	Limited personal benefits provided as an element of compensation, including a fixed perquisite allowance to named executive officers.	Fair and competitive programs to facilitate recruitment and retention.

In setting policies and administering the compensation of named executive officers, the Compensation Committee reviews and takes into account all elements of total compensation, benefits and perquisites. The Compensation Committee reviews reports and analyses of executive compensation in consultation with its outside advisers, including current practices and trends among peer companies and the advertising and marketing services industry.

Stock Ownership Guidelines. The Company's stock ownership guidelines require that each named executive officer own a significant equity stake in the Company during his or her employment. The Compensation Committee believes that stock ownership by senior managers strengthens their commitment to the future of the Company and further aligns their interests with those of our shareholders. Effective March 2006, the Board adopted the following stock ownership guidelines for all officers commensurate with their level of seniority and base salary: Chief Executive Officer to own stock with a value of at least five (5) times his base salary; Chief Financial Officer, at least four (4) times his base salary; and each other named executive officer, at least three (3) times his base salary. An executive must reach his target ownership level within four years after becoming subject to the stock ownership guidelines. Certain equity awards to named executive officers will not be transferable unless and until the grantee satisfies his or her applicable stock ownership requirement. In April 2009, the Compensation Committee amended the stock

ownership guidelines to provide that no executive officer may sell any shares of the Company's stock that he or she owns or

received in connection with a prior year equity incentive award, unless he or she is in compliance with the Company's stock ownership guidelines; provided, however, that executives may elect to have shares withheld in order to satisfy tax withholding requirements at the time of vesting. In addition, all executives must spend at least 5% of their net cash incentive award annually to purchase Class A shares of MDC Partners in the open market. As of December 31, 2013, all named executive officers were in full compliance with the Company's stock ownership guidelines.

Employment Agreements. The Company has employment or services agreements with the CEO and all of the other named executive officers. These agreements formalize the terms of the employment relationship, and assure the executive of fair treatment during employment and in the event of termination while requiring compliance with restrictive covenants. Employment agreements promote careful and complete documentation and understanding of employment terms, including strong protections for our business.

Clawback Agreements. In connection with the payment of cash incentive amounts to the CEO and all of the named executive officers in 2013, the Company required that each named executive officer agree in writing to repay the Company a pro-rata portion of his cash incentive payment if he resigned his employment or his employment was terminated for cause prior to December 31, 2016. These letter agreements encourage long term retention of key executives by the Company.

Business Protection Terms. The Company's named executive officers are subject to significant contractual restrictions intended to prevent actions that potentially could harm our business, particularly after termination of employment. These business protections include obligations not to solicit clients or employees, not to disparage us, not to reveal confidential information, and to cooperate with us in litigation. Business protection provisions are included in employment agreements and in connection with compliance with the Company's Code of Conduct.

Equity Award Grant Policies. The Board of Directors and the Compensation Committee have adopted policies and procedures governing the granting of any equity incentive awards, including the following:

Equity incentive awards granted to executive officers must be approved by the Compensation Committee or the full Board of Directors, and shall be made at quarterly in-person meetings and shall not be made via unanimous written consent. An attorney (who may be an employee of the Company) shall be present at each such Compensation Committee or Board meeting;

If grants are required to be awarded in connection with hiring new employees in between quarterly Compensation Committee meetings, such grants may be approved at a special meeting, which may be telephonic or in-person; Options, SARs and other equity incentive awards shall be priced at the closing price on the date immediately prior to the date of the Compensation Committee meeting at which the grant is approved; and

The Company's internal audit department, in connection with its quarterly review, shall audit any equity incentive awards granted during the fiscal quarter to ensure compliance with all policies and applicable rules and regulations.

Comparator Companies. In determining compensation opportunities and payments to executives, the Compensation Committee may, from time to time, review competitive opportunities, payments, practices and performance among a comparator group of companies. Although we do not engage in formal benchmarking of NEO compensation, we intend that, if our named executive officers achieve individual and financial corporate objectives in a given year, they will earn total direct compensation that compares favorably with the total direct compensation earned by executives performing similar functions at comparator companies. In setting 2013 compensation for the named executive officers, the Compensation Committee did not perform any formal benchmarking using a comparator group of peer companies.

INCENTIVE AWARDS BASED ON 2013 FINANCIAL PERFORMANCE METRICS

Pay-for-Performance Analysis. The Company's compensation program is intended to reward performance relative to individual incentive criteria and corporate financial performance criteria. The Company's overall financial performance for 2013 dramatically and substantially exceeded the financial targets established by the Compensation Committee. Specifically, the Company's 2013 financial performance of EBITDA (\$159.4 million as reported) significantly exceeded the Company's baseline EBITDA target of \$118.4 million and stretch EBITDA target of \$127.9 million. Further, the Company's 2013 EBITDA margin increased 260 basis points to 13.9%, as compared to 11.3% in 2012 and 9.8% in 2011. This exceptional financial performance was the basis for the Compensation Committee's executive compensation decisions in 2013, rather than any discretionary factors. In addition, a significant component of the 2013 incentive (\$9.6 million) paid to our CEO, Miles Nadal, was based upon the contractual achievement on October 24, 2013, of the Company's Class A share price averaging Cdn\$30 for twenty (20) consecutive days. This one-time contractual incentive was made pursuant to an agreement entered into between the Company and Mr. Nadal in 2001, and achievement of the Cdn\$30 per share price represented a substantial appreciation in the Company's Class A share price. The Compensation Committee also determined that the Company achieved certain other financial and strategic goals in 2013, including a very successful refinancing of the Company's balance sheet with a successful capital markets offering of \$550 million of 6.75% senior notes. This refinancing resulted in a 425 basis point reduction in interest rates as compared to the coupon rate for the Company's prior 11% senior notes. Additional achievement included the integration of accretive acquisitions and transactions that expanded and diversified the Company's portfolio of traditional advertising, social and digital marketing, and media buying and planning services companies.

In determining Mr. Nadal's compensation for 2013, the Compensation Committee took into account the Company's strong financial performance, as well as its strategic and operating plans and how Mr. Nadal performed against those plans. The Compensation Committee recognizes that Mr. Nadal has built a business that is truly unique in its approach to marketing communications, which has translated into significant market share gains, a strong pipeline of new business, and over the past several years, exceptionally strong financial performance on revenue, organic revenue, earnings, and cash flow. The Compensation Committee continues to have strong confidence in Mr. Nadal's leadership of the MDC Partners' team and looks forward to working with him as he leads the Company in building an even better future for its shareholders, its partner agencies, its employees, and its numerous multinational clients around the world.

Calculation of 2013 Annual Incentive Awards. In determining the 2013 annual incentive awards to be paid to each of the named executive officers, following the conclusion of fiscal 2013 the Compensation Committee reviewed actual financial and individual performance relative to individual incentive criteria. Such review yielded, for each named executive officer, an internal performance rating reflecting the actual achievement of Company performance goals related to the performance measures described above of EBITDA, EBITDA margin and organic revenue growth and individual performance goals, such as the underlying operational and financial performance of specific partner companies as compared to budgeted targets. The Compensation Committee then used these ratings to determine the actual bonus incentive award payable to each named executive officer. The Compensation Committee did not make any discretionary incentive awards to the named executive officers in 2013, and instead incentive awards related solely to the Company's exceptional financial performance during the year. To promote retention, each named executive officer (including the CEO) will be required to repay a pro rata portion of the annual incentive award if he resigns or is terminated for cause prior to December 31, 2016. Given that a large portion of the CEO's total compensation in prior years was paid in the form of equity or equity-based awards linked to the value of the Company, the Compensation Committee determined that it was appropriate to pay the CEO's 2013 annual incentive award solely in cash, but subject to repayment upon resignation or termination for cause.

In addition, a significant component of the incentive amount (\$9.6 million) paid to our CEO, Miles Nadal, was based upon the contractual achievement on October 24, 2013, of the Company's Class A share price averaging Cdn\$30 for twenty (20) consecutive days. This one-time contractual incentive was made pursuant to an agreement entered into between the Company and Mr. Nadal in 2001, and achievement of the target price represented a substantial appreciation in the Company's Class A share price. Following this

one-time payment, this special bonus provision of the Services Agreement is terminated and Mr. Nadal will not be entitled to any additional special bonus tied solely to the Company's Class A share price.

Retirement Programs

The Company offers each U.S.-based executive the opportunity to make individual contributions to a broad-based 401(k) Plan administered by the Company and generally available to the Company's U.S. employees. However, the Company does not make or match any employee contributions to the 401(k) Plan. The Company does not provide any other specific retirement or pension benefits for its named executive officers.

Severance Policies

We provide severance protection to our named executive officers in employment agreements, as detailed below under the caption Potential Payments Upon Termination or Change-In-Control. As discussed above, this protection is designed to be fair and competitive to aid in attracting and retaining experienced executives. We believe that the protection we provide, including the level of severance payments and post-termination benefits, is appropriate.

Section 162(m)

Pursuant to Section 162(m), publicly-held corporations are prohibited from deducting compensation paid to the named executive officers except the Chief Financial Officer, as of the end of the fiscal year, in excess of \$1 million, unless the compensation is performance-based. Although the Compensation Committee considers the impact of Section 162(m) when making its compensation determinations, the Compensation Committee has determined that its need for flexibility in designing an effective compensation plan to meet our objectives and to respond quickly to marketplace needs has outweighed its need to maximize the deductibility of its annual compensation. The Compensation Committee reviews this policy from time to time.

REPORT OF THE HUMAN RESOURCES & COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The Human Resources & Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis that appears above. Based on this review and discussion with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and the Company's 2013 Annual Report on Form 10-K for filing with the SEC and OSC.

The Human Resources & Compensation Committee

Clare Copeland (Chairman)

Thomas N. Davidson

Robert J. Kamerschen

Scott L. Kauffman

Michael J.L. Kirby

Irwin Simon

Executive Compensation

This section contains information, both narrative and tabular, regarding the compensation for fiscal 2013, 2012 and 2011 for (i) our principal executive officer; (ii) our principal financial officer; and (iii) our three other most highly compensated executive officers who were serving as executive officers as of the end of Fiscal Year 2013 (collectively, the **NEOs** or the **named executive officers**).

The Summary Compensation Table contains an overview of the amounts paid to or earned by our named executive officers during the last three fiscal years. The tables following the Summary Compensation Table the Grants of Plan-Based Awards Table, Outstanding Equity Awards at Fiscal Year-End table, and Option Exercises and Stock Vested Table contain details of our named executive officers recent equity grants, past awards, general holdings, and exercises. Finally, we have included a narrative description of potential severance payments to our named executive officers.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$)		Non-Equity Incentive Awards (\$)			Total Compensation (\$)
				Stock Awards (\$) ⁽²⁾	EVARs (\$) ⁽³⁾	Option Awards (\$)	Other Compensation (\$)	Other Compensation (\$)	
Miles S. Nadal, Chairman	2013	1,750,000	14,242,342	4,186,920	0	0	0	500,000	20,679,263
Chief Executive Officer and President ⁽⁵⁾	2012	1,500,000	1,260,735	5,958,343	0	0	0	558,343	9,277,422
David B. Doft, Chief Financial Officer	2011	1,500,000	213,068	13,092,218	8,433,000	0	0	559,138	23,797,424
Stephen Pustil, Vice Chairman ⁽⁶⁾	2013	412,500	323,947	226,721	0	0	0	53,084	1,016,252
Mitchell Gendel, General Counsel and Corporate Secretary	2012	375,000	120,074	168,489	0	0	0	50,581	714,144
Michael Sabatino, Chief Accounting Officer	2011	368,750	148,565	680,907	421,650	0	0	49,372	1,669,243
	2013	388,312	229,991	227,521	0	0	0	32,696	878,520
	2012	400,240	142,071	266,520	0	0	0	34,757	843,588
	2013	412,500	309,775	225,083	0	0	0	48,084	995,442
	2012	375,000	140,248	249,399	0	0	0	45,581	810,228
	2011	368,750	86,187	638,612	421,650	0	0	44,372	1,559,571
	2013	412,500	420,622	226,721	0	0	0	46,272	1,106,816
	2012	375,000	127,053	277,247	0	0	0	46,822	826,122
	2011	368,750	81,502	691,345	421,650	0	0	45,540	1,608,787

Reflects the actual bonus expense included in the Company's financial statements for each of the years presented. In addition, a significant component of the incentive amount (\$9.6 million) paid to our CEO, Miles Nadal, was based upon the contractual achievement on October 24, 2013, of the Company's Class A share price averaging Cdn\$30 (1) for twenty (20) consecutive days. This one-time contractual incentive was made pursuant to an agreement entered into between the Company and Mr. Nadal in 2001, and achievement of the target price represented a substantial appreciation in the Company's Class A share price. Following this one-time payment, this special bonus provision of the Services Agreement is terminated.

Reflects the grant-date fair value of the equity awards we granted to our NEOs as determined in accordance with (2) FASB Topic 718. For a discussion of the assumptions relating to these valuations, please see Footnote 2 Significant Accounting Policies set forth in our 2013 Annual Report on Form 10-K.

The value of MDC Partners' Class A stock on the grant date for the EVARs (Jan. 26, 2011) was \$17.15 per share, and the value of MDC Partners' Class A stock on the grant date for other incentive awards (March 7, 2011) was \$18.64 per share. This amount reflects the aggregate grant date fair value, as computed in accordance with FASB Topic 718, excluding the effect of estimated forfeitures during the applicable vesting period, of equity awards (3) consisting of restricted stock or restricted stock units (RSUs) granted to our NEOs in each of 2009, 2010 and 2011 and EVARS in 2011. The aggregate grant date fair value disclosed is based on the probable outcome of the applicable performance conditions for these awards. The fair value as disclosed would be the same amount if the highest performance conditions were to be achieved. Information with respect to RSUs reflected in this column that were granted in years before 2011 is disclosed in the Outstanding Equity Awards at 2011 Fiscal Year-End table of this

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Proxy Statement and the accompanying notes. In order for the restricted stock or RSUs to be granted and vest under the EVARs Plan, the stock must average at least \$20 per share over 20 days for 30% to be granted, \$22.75 per share for the next 30% to be granted, and \$26.25 per share for the final 30% to be granted. These stock price targets were achieved in 2013, and as a result 100% of the shares granted under the EVARs Plan vested. For a discussion of the assumptions relating to these valuations, please see Footnote 2 Significant Accounting Policies set forth in our 2013 Annual Report on Form 10-K, and the corresponding sections of the consolidated financial statements for prior fiscal years for grants made in such years.

(4) All other compensation is comprised of the following perquisites, personal benefits and other items for our NEOs in 2013:

for Mr. Nadal, a \$500,000 perquisite allowance in respect of retirement benefits and employee health benefits. In addition to the amounts set forth in the table, on limited occasions, while Mr. Nadal is traveling on business, a member of his family has accompanied him on the corporate aircraft. There is no incremental cost to the Company for this use of the aircraft by Mr. Nadal's family member. For business purposes during travel from outside of New York City, Mr. Nadal and certain of the Company's executive officers have the use of a corporate apartment located near the Company's offices in New York City. Mr. Nadal personally paid for all furnishings in this corporate apartment, and also pays for 50% of the leasehold cost. The Company believes that such arrangement is more cost effective than the alternative costs of a hotel in New York City;

(a) (b) for Mr. Doft, a \$30,000 annual perquisite allowance and \$23,084 in annual insurance premiums;
 for Mr. Pustil, a \$30,000 VND annual perquisite allowance and \$5,101 VND in annual insurance premiums and parking expenses;

(c) (d) for Mr. Sabatino, a \$25,000 annual perquisite allowance and \$21,272 in annual insurance premiums; and

(e) for Mr. Gendel, a \$25,000 annual perquisite allowance and \$23,084 in annual insurance premiums.

(5) The personal services of our Chairman and CEO are provided to the Company through Nadal Management Limited.

(6) Mr. Pustil was not a named executive officer in 2011.

GRANTS OF PLAN-BASED AWARDS FISCAL YEAR 2013

- Represents restricted stock or restricted stock units (RSU s) granted to our NEOs in fiscal 2013 under our 2011 Stock Incentive Plan, as amended. These grants vest upon the third anniversary of the grant date subject to continued employment; however, they are subject to accelerated vesting based upon achievement by the Company of specified financial performance criteria in 2013. These financial performance criteria include 5% adjusted EBITDA growth in 2013 as compared to 2012. These awards also vest automatically upon a change in control of the Company, or upon termination of the NEO s employment without cause.
- (1)
- Reflects the grant-date fair value of the equity awards we granted to our NEOs in fiscal 2013 as determined in accordance with FASB Topic 718. The fair market value of Class A shares on the grant date of February 14, 2013, was \$8.47 per share. For a discussion of the assumptions relating to these valuations, please see Footnote 2 Significant Accounting Policies set forth in our 2013 Annual Report on Form 10-K.
- (2)
- Represents grants of restricted stock or RSUs granted to our NEOs in fiscal 2013 under our 2005 and our 2011 Stock Incentive Plans, as amended. These grants vest on December 31, 2013, based on the achievement of the EVAR price targets.
- (3)
- Reflects the grant-date fair value of the equity awards we granted to our NEOs in fiscal 2013 determined in accordance with FASB Topic 718. The fair market value of Class A Shares on the grant date of August 5, 2013, was \$16.02 and on October 7, 2013 was \$19.32 per share, respectively. For a discussion of the assumptions relating to these valuations, please see Footnote 2 Significant Accounting Policies set forth in our 2013 Annual Report on Form 10-K.
- (4)

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

We have entered into employment agreements with all of our named executive officers, as described in more detail below.

Miles S. Nadal

On May 6, 2013, the Company entered into an amended Management Services Agreement (as amended, the **Services Agreement**) with Miles Nadal and with Nadal Management Limited to set forth the terms and conditions on which Miles Nadal will continue to provide services to the Company as its Chief Executive Officer. The Services Agreement is subject to automatic one-year extensions unless either party gives to the other a 60-day advance written notice of its intention not to renew. Effective January 1, 2013, the annual retainer amount (base salary) under the Services Agreement was increased to \$1,750,000. The annual retainer amount was increased to \$1,850,000, effective January 1, 2014, given that MDC achieved the contractual EBITDA target growth amount of more than 5% in 2013 compared to 2012. The Services Agreement also provides for an annual incentive bonus with a targeted payout of 250% of the base compensation. For 2013, the Company paid Mr. Nadal a cash incentive payment in an amount equal to \$2,187,500 in November 2013, and a subsequent cash incentive payment of \$2,187,500 on February 21, 2014. Each of these incentive cash payments are subject to repayment if Mr. Nadal resigns or is terminated for cause prior to December 31, 2016. The Company also pays an annual cash payment to Mr. Nadal of \$500,000 in respect of retirement benefits, employee health benefits, and perquisites and may, in the discretion of the Compensation Committee, grant long term equity incentives (or cash) with a targeted grant date value of up to 300% of his then current retainer (base salary). In February 2013 and again in February 2014, the Compensation Committee determined, in light of certain factors (including the Company's EBITDA achievement) that each of the 2012 CEO LTIP award and the 2013 CEO LTIP Award should be valued at an amount equal to 300% of his then current base retainer amount.

Pursuant to the amended Services Agreement, the Company further agreed to provide to Mr. Nadal a special bonus of Cdn\$10 million upon the first to occur of (i) the average market price of the Company's Class A Shares is C\$30 (\$30) per share or more for more than 20 consecutive trading days (measured as of the close of trading on each applicable date) or (ii) a change of control of the Company. This exceptional stock price target, representing an all time high price at the time, was achieved on October 24, 2013 and the Company paid Mr. Nadal the amount of this special bonus (U.S. \$9.6 million). Following this one-time payment, this special bonus provision of the Services Agreement is terminated and Mr. Nadal will not be entitled to any additional special bonus tied solely to the Company's Class A share price.

The Services Agreement also provides for severance payments if Mr. Nadal's employment is terminated under certain circumstances. The amount and circumstances giving rise to these severance payments are discussed in further detail under the heading Potential Payments Upon Termination or Change in Control. Each of the Company's agreements with its executives provide for double-trigger requirements in connection with cash payments.

David B. Doft

MDC Partners has an employment agreement with Mr. Doft, effective August 10, 2007 (as amended on August 5, 2010), pursuant to which Mr. Doft serves as our Chief Financial Officer. Mr. Doft's term of employment is subject to automatic renewal for one-year periods, unless either party gives to the other a 45-day advance written notice of its intention not to renew. Mr. Doft currently is entitled to receive an annualized base salary of \$412,500 (effective as of January 1, 2013), and he is eligible to receive an annual discretionary bonus in an amount up to 100% of his base

salary, as recommended by our CEO and determined by the Compensation Committee, based upon Mr. Doft's performance, the overall financial performance of the Company and such other factors as our CEO and the Board shall deem reasonable and appropriate, to be paid in accordance with our normal bonus payment procedures. Mr. Doft also receives an annual perquisite allowance in an amount equal to \$30,000. Mr. Doft is eligible to participate in any welfare benefit plans and programs including disability, group life (including accidental death and dismemberment), and business travel insurance provided by the Company to its senior executives. He is also entitled to participate in the retirement plans and benefits in accordance with the plans or practices of the Company made available to the senior executives of the Company. The employment agreement also provides for severance payments if Mr. Doft's

employment is terminated under certain circumstances. The amount and circumstances giving rise to these severance payments are discussed in further detail under the heading Potential Payments Upon Termination or Change in Control.

Stephen Pustil

MDC Partners has an employment agreement with Mr. Pustil, effective August 20, 2007 (as amended on August 5, 2010), pursuant to which Mr. Pustil serves as our Vice Chairman. Mr. Pustil's term of employment is subject to automatic renewal for one-year periods, unless either party gives to the other a 30-day advance written notice of its intention not to renew. Mr. Pustil is currently entitled to receive an annualized base salary of Cdn \$400,000, and he is eligible to receive an annual discretionary bonus in an amount up to 100% of his base salary, as recommended by our CEO and determined by the Compensation Committee, based upon Mr. Pustil's performance, the overall financial performance of the Company and such other factors as our CEO and the Board shall deem reasonable and appropriate, to be paid in accordance with our normal bonus payment procedures. Mr. Pustil also receives an annual perquisite allowance in an amount equal to Cdn \$30,000. Mr. Pustil is eligible to participate in any welfare benefit plans and programs including disability, group life (including accidental death and dismemberment), and business travel insurance provided by the Company to its senior executives. He is also entitled to participate in the retirement plans and benefits in accordance with the plans or practices of the Company made available to the senior executives of the Company. The employment agreement also provides for severance payments if Mr. Pustil's employment is terminated under certain circumstances. The amount and circumstances giving rise to these severance payments are discussed in further detail under the heading Potential Payments Upon Termination or Change in Control.

Mitchell Gendel

MDC Partners has an employment agreement with Mr. Gendel, effective July 6, 2007 (as amended on March 5, 2011), pursuant to which Mr. Gendel serves as our General Counsel and Corporate Secretary. Mr. Gendel's term of employment is subject to automatic renewal for one-year periods, unless either party gives to the other a 30-day advance written notice of its intention not to renew. Mr. Gendel is currently entitled to receive an annualized base salary of \$412,500 (effective as of January 1, 2013), and he is eligible to receive an annual discretionary bonus in an amount up to 100% of his base salary, as recommended by our CEO and determined by the Compensation Committee, based upon Mr. Gendel's performance, the overall financial performance of the Company and such other factors as our CEO and the Board shall deem reasonable and appropriate, to be paid in accordance with our normal bonus payment procedures. Mr. Gendel also receives an annual perquisite allowance in an amount equal to \$25,000. Mr. Gendel is eligible to participate in any welfare benefit plans and programs including disability, group life (including accidental death and dismemberment), and business travel insurance provided by the Company to its senior executives. He is also entitled to participate in the retirement plans and benefits in accordance with the plans or practices of the Company made available to the senior executives of the Company. The employment agreement also provides for severance payments if Mr. Gendel's employment is terminated under certain circumstances. The amount and circumstances giving rise to these severance payments are discussed in further detail under the heading Potential Payments Upon Termination or Change in Control.

Michael Sabatino

MDC Partners has an employment agreement with Mr. Sabatino, effective July 6, 2007 (as amended on March 5, 2011), pursuant to which Mr. Sabatino serves as our Chief Accounting Officer. Mr. Sabatino's term of employment is subject to automatic renewal for one-year periods, unless either party gives to the other a 30-day advance written notice of its intention not to renew. Mr. Sabatino is currently entitled to receive an annualized base salary of \$412,500 (effective as of January 1, 2013), and he is eligible to receive an annual discretionary bonus in an amount up to 100%

of his base salary, as recommended by our CEO and determined by the Compensation Committee, based upon Mr. Sabatino's performance, the overall financial performance of the Company and such other factors as our CEO and the Board shall deem reasonable and appropriate, to be paid in accordance with our normal bonus payment procedures. Mr. Sabatino also receives an annual perquisite allowance in an amount equal to \$25,000. Mr. Sabatino is eligible to participate in any welfare benefit plans and programs including disability, group life (including accidental death and dismemberment),

and business travel insurance provided by the Company to its senior executives. He is also entitled to participate in the retirement plans and benefits in accordance with the plans or practices of the Company made available to the senior executives of the Company. The employment agreement also provides for severance payments if Mr. Sabatino's employment is terminated under certain circumstances. The amount and circumstances giving rise to these severance payments are discussed in further detail under the heading Potential Payments Upon Termination or Change in Control.

The following table sets forth information regarding the outstanding awards under our equity incentive plans held by our named executive officers at 2013 fiscal year end.

OUTSTANDING EQUITY AWARDS AT 2013 FISCAL YEAR-END

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercisable Options (#)	Number of Securities Underlying Exercisable Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Units of Stock that Have Not Vested (\$)	Equity Incentive Awards: Number of Unearned Shares, Other Rights that Have Not Vested (#)	Equity Incentive Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$)
(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
Miles S. Nadal							178,088 ⁽²⁾	4,543,025 ⁽²⁾
David B. Doft							9,683 ⁽¹⁾	247,013 ⁽¹⁾
Stephen Pustil							10,959 ⁽²⁾	279,564 ⁽²⁾
Michael Sabatino							15,317 ⁽¹⁾	390,737 ⁽¹⁾
Mitchell S. Gendel							11,054 ⁽²⁾	281,988 ⁽²⁾
							15,933 ⁽¹⁾	406,451 ⁽¹⁾
							10,959 ⁽²⁾	279,564 ⁽²⁾
							14,333 ⁽¹⁾	365,035 ⁽¹⁾
							10,766 ⁽²⁾	274,641 ⁽²⁾

These grants awarded on February 14, 2012 vest upon the third anniversary of the grant date subject to continued employment; however they are subject to accelerated vesting based upon achievement by the Company of specified financial performance criteria in 2012 and 2013. These financial performance criteria include 5% (1) adjusted EBITDA growth in 2012 as compared to 2011, and cumulative adjusted EBITDA growth in 2012 and 2013 of 10% as compared to 2011. In February 2014, these awards referred to in the table above vested in accordance with the terms of the underlying grant agreements, based on the Company achieving adjusted EBITDA growth in 2013 as compared to 2011.

(2)

These grants awarded on February 14, 2013 vest upon the third anniversary of the grant date subject to continued employment; however, they are subject to accelerated vesting based upon achievement by the Company of specified financial performance criteria in 2013. These financial performance criteria include 5% EBITDA growth in 2013 as compared to 2012. In February 2014, these awards referred to in the table above vested in accordance with the terms of the underlying grant agreements, based on the Company achieving adjusted EBITDA growth in 2013 as compared to 2012.

The following table sets forth information concerning each exercise of stock options, SARs and similar instruments, and each vesting of stock, including restricted stock, restricted stock units and similar instruments, during fiscal year 2012 for each NEO on an aggregated basis.

OPTION EXERCISES AND STOCK VESTED IN FISCAL YEAR 2013

Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
(a)	(b)	(c) ⁽¹⁾	(d)	(e) ⁽²⁾
Miles S. Nadal		57,416,657	1,506,114	37,637,789
Michael C. Sabatino		3,533,330	123,106	2,410,508
David B. Doft		3,533,330	116,435	2,354,031
Mitchell S. Gendel		3,470,906	119,384	2,378,999
Stephen Pustil		3,563,784	118,835	2,374,351

⁽¹⁾ The exercise of all of these equity awards (SARs) were settled in cash on November 5, 2013. All of these SARs were scheduled to expire on February 12, 2014.

We do not provide our NEOs with any defined benefit pension arrangements, and do not maintain any non-qualified deferred compensation plans for our NEOs.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

We have entered into employment agreements with all of our named executive officers. Under each of these agreements, we are required to pay severance benefits in connection with certain terminations of employment, including certain terminations in connection with a change in control of the Company. The employment agreements for each NEO and other executives require a double trigger for any change in control severance payments. In addition, some of our equity incentive plans provide for the accelerated payment or vesting of awards in connection with certain terminations of employment or a change in control of the Company. The following is a description of the severance, termination and change in control benefits payable to each of our named executive officers pursuant to their respective employment agreements and our equity incentive plans.

Definitions of terms such as change in control or for good reason vary between agreements, so when a definition is particular to an agreement, it is described for that agreement. For all named executive officers other than Mr. Nadal, a change of control means the closing of a transaction which results in (i) any person(s) or company(ies) acting jointly or in concert owning equity of the Company representing greater than 50% of the voting power of the Company's outstanding securities, or (ii) the Company selling all or substantially all of its assets (in each instance other than any transfer by the Company or any of its affiliates of their respective interest in the Company to another wholly-owned subsidiary of another MDC Group company). For Mr. Nadal, a change of control means the occurrence of any of the following: (a) any person(s) or company(ies) acting jointly or in concert owning equity of the Company representing greater than 25% of the voting power of the Company's outstanding securities; (b) the incumbent members of the Board cease to constitute at least 2/3 of the Board of Directors, subject to certain exceptions; (c) the consummation of a merger or restructuring of the Company (subject to certain exceptions); or (d) a liquidation of the Company or the Company selling all or substantially all of its assets (in each instance other than any transfer by the Company to another affiliate of the Company).

Miles S. Nadal

Upon termination of the Services Agreement for cause or voluntary termination by Nadal Management Limited, MDC is required to pay the unpaid annual retainer fee (base salary) through the date of termination, and Nadal Management Limited shall be entitled to all equity incentive awards in accordance with the underlying plans and equity incentive award agreements.

If Mr. Nadal's services are terminated by the Company without cause or by Nadal Management Limited for good reason (each as defined in the Services Agreement), the Company will make a lump sum cash payment equal to three times the sum of the annual retainer, average bonus amount for the past three years and the benefit/perquisites allowance, as well as a pro-rata bonus for the calendar year in which his employment terminates, and three years of continued vesting of outstanding equity incentive awards. Payment of such amount is conditioned upon execution of a release acceptable to MDC. The term good reason is defined under the Services Agreement to include a change of control, provided that Mr. Nadal is not holding the position of chief executive officer of the ultimate parent corporation resulting from the change of control transaction. If there had been a change in control of MDC Partners on December 31, 2013 and Mr. Nadal were not holding the position of chief executive officer of the ultimate parent corporation resulting from the change of control transaction, the aggregate cash severance payment MDC would have paid him under the Services Agreement would be approximately \$23.87 million, in accordance with the terms of the amended Services Agreement. In addition, all restricted stock units and options to acquire securities of MDC previously granted to Mr. Nadal would vest and become exercisable and remain outstanding until the third anniversary of the date of termination. As of December 31, 2013, Mr. Nadal had 178,088 RSUs that would vest upon a change of

control in accordance with the underlying grant agreements, with a fair value equal to \$4,543,025.

David B. Doft

Pursuant to his employment agreement, if MDC terminates Mr. Doft's employment without cause, Mr. Doft terminates his employment for good reason, or the company gives a notice of non-renewal of the agreement, then MDC is required to pay Mr. Doft a severance payment within 10 days of the date of termination of one (1) times Mr. Doft's total remuneration, plus an amount equal to two (2) month's base salary for each calendar year in which he was employed by the Company, up to a maximum of six months.

Total remuneration means the sum of his current base salary, his perquisite allowance, plus the highest annual discretionary cash bonus he earned in the three years ending December 31 of the year immediately preceding the date of termination. If Mr. Doft's employment had terminated under these circumstances on December 31, 2013, the aggregate cash payment due to him under the agreement would have been \$1,188,725. Furthermore, Mr. Doft will also be allowed to continue participating for one year after termination on the same basis as before he was terminated in all benefit plans and, to the extent permitted under law, also in all retirement plans, provided however, that if Mr. Doft becomes entitled to receive coverage and benefits in the same type of plan from another employer, he will no longer be able to participate in these benefit and retirement plans. We will be obligated to pay him the economic equivalent of the benefits in these plans if Mr. Doft is unable to participate in the plans. The aggregate amount of this benefit would have been approximately \$23,084 if Mr. Doft's employment had terminated as of December 31, 2013. As of December 31, 2013, Mr. Doft had 20,642 unvested restricted stock grants that would vest on termination of his employment agreement or change of control with a fair value equal to \$526,577.

If Mr. Doft's employment is terminated within one year following the closing of a change in control by the company without cause, by Mr. Doft for good reason, or by the company giving a notice of non-renewal of the agreement, then Mr. Doft will be entitled to a payment of 1.5 times his total remuneration. He will also be eligible to receive a pro-rata portion of his annual discretionary cash bonus for the year in which his employment terminates. If there had been a change in control of MDC Partners on December 31, 2013 and Mr. Doft's employment terminated in connection with that change in control, the aggregate cash severance payment MDC would have paid him under the contract would be \$1,473,750. Furthermore, Mr. Doft will also be allowed to continue participating for one year after termination on the same basis as before he was terminated in all benefit plans. We will be obligated to pay him the economic equivalent of the benefits in these plans if Mr. Doft is unable to participate in the plans. The aggregate amount of this benefit would have been approximately \$23,084 if Mr. Doft's employment had terminated as of December 31, 2013.

Stephen Pustil

Pursuant to his employment agreement, if MDC terminates Mr. Pustil's employment without cause, Mr. Pustil terminates his employment for good reason, or the Company gives a notice of non-renewal of the agreement, then MDC is required to pay Mr. Pustil a severance payment within 10 days of the date of termination of two (2) times Mr. Pustil's total remuneration. Total remuneration means the sum of his current base salary, plus the highest annual discretionary cash bonus he earned in the three years ending December 31 of the year immediately preceding the date of termination. If Mr. Pustil's employment had terminated under these circumstances on December 31, 2013, the aggregate cash payment due to him under the agreement would have been Cdn\$1,760,000. Furthermore, Mr. Pustil will also be allowed to continue participating for one year after termination on the same basis as before he was terminated in all benefit plans and, to the extent permitted under law, also in all retirement plans, provided however, that if Mr. Pustil becomes entitled to receive coverage and benefits in the same type of plan from another employer, he will no longer be able to participate in these benefit and retirement plans. We will be obligated to pay him the economic equivalent of the benefits in these plans if Mr. Pustil is unable to participate in the plans. The aggregate amount of this benefit would have been approximately Cdn\$5,701 if Mr. Pustil's employment had terminated as of December 31, 2013. As of December 31, 2013, Mr. Pustil had 26,371 unvested restricted stock grants that would vest on termination of his employment agreement or change of control, with a fair value equal to \$672,724.

If Mr. Pustil's employment is terminated within one year following the closing of a change in control by the company without cause, by Mr. Pustil for good reason, or by the company giving a notice of non-renewal of the agreement, then Mr. Pustil will be entitled to a payment of two (2) times his total remuneration. He will also be eligible to receive a pro-rata portion of his annual discretionary cash bonus for the year in which his employment terminates. If there had been a change in control of MDC Partners on December 31, 2013 and Mr. Pustil's employment terminated in connection with that change in control, the aggregate cash severance payment MDC would have paid him under the

contract would be Cdn\$1,760,000. Furthermore, Mr. Pustil will also be allowed to continue participating for one year after termination on the same basis as before he was terminated in all benefit plans. We will be obligated to pay him the economic equivalent of the

benefits in these plans if Mr. Pustil is unable to participate in the plans. The aggregate amount of this benefit would have been approximately \$5,701 if Mr. Pustil's employment had terminated as of December 31, 2013.

Mitchell Gendel

Pursuant to his employment agreement, if MDC terminates Mr. Gendel's employment without cause, Mr. Gendel terminates his employment for good reason, or the Company gives a notice of non-renewal of the agreement, then MDC is required to pay Mr. Gendel a severance payment within 10 days of the date of termination of one (1) times Mr. Gendel's total remuneration, plus an amount equal to six (6) months base salary. Total remuneration means the sum of his current base salary, plus the highest annual discretionary cash bonus he earned in the three years ending December 31 of the year immediately preceding the date of termination. If Mr. Gendel's employment had terminated under these circumstances on December 31, 2013, the aggregate cash payment due to him under the agreement would have been \$1,143,725. Furthermore, Mr. Gendel will also be allowed to continue participating for one year after termination on the same basis as before he was terminated in all benefit plans and, to the extent permitted under law, also in all retirement plans, provided, however, that if Mr. Gendel becomes entitled to receive coverage and benefits in the same type of plan from another employer, he will no longer be able to participate in these benefit and retirement plans. We will be obligated to pay him the economic equivalent of the benefits in these plans if Mr. Gendel is unable to participate in the plans. The aggregate amount of this benefit would have been approximately \$23,084 if Mr. Gendel's employment had terminated as of December 31, 2013. As of December 31, 2013, Mr. Gendel had 25,099 unvested restricted stock grants that would vest on termination of his employment agreement or change of control, with a fair value equal to \$640,275.

If Mr. Gendel's employment is terminated within one year following the closing of a change in control by the company without cause, by Mr. Gendel for good reason, or by the company giving a notice of non-renewal of the agreement, then Mr. Gendel will be entitled to a payment of two (2) times his total remuneration. He will also be eligible to receive a pro-rata portion of his annual discretionary cash bonus for the year in which his employment terminates. If there had been a change in control of MDC Partners on December 31, 2013 and Mr. Gendel's employment terminated in connection with that change in control, the aggregate cash severance payment MDC would have paid him under the contract would be \$1,875,000. Furthermore, Mr. Gendel will also be allowed to continue participating for one year after termination on the same basis as before he was terminated in all benefit plans. We will be obligated to pay him the economic equivalent of the benefits in these plans if Mr. Gendel is unable to participate in the plans. The aggregate amount of this benefit would have been approximately \$23,084 if Mr. Gendel's employment had terminated as of December 31, 2013.

Michael Sabatino

Pursuant to his employment agreement, if MDC terminates Mr. Sabatino's employment without cause, Mr. Sabatino terminates his employment for good reason, or the Company gives a notice of non-renewal of the agreement, then MDC is required to pay Mr. Sabatino a severance payment within 10 days of the date of termination of one (1) times Mr. Sabatino's total remuneration. Total remuneration means the sum of his current base salary, plus the highest annual discretionary cash bonus he earned in the three years ending December 31 of the year immediately preceding the date of termination. If Mr. Sabatino's employment had terminated under these circumstances on December 31, 2013, the aggregate cash payment due to him under the agreement would have been \$1,037,500. Furthermore, Mr. Sabatino will also be allowed to continue participating for one year after termination on the same basis as before he was terminated in all benefit plans and, to the extent permitted under law, also in all retirement plans, provided however, that if Mr. Sabatino becomes entitled to receive coverage and benefits in the same type of plan from another employer, he will no longer be able to participate in these benefit and retirement plans. We will be obligated to pay him the economic equivalent of the benefits in these plans if Mr. Sabatino is unable to participate in the plans. The

aggregate amount of this benefit would have been approximately \$21,272 if Mr. Sabatino's employment had terminated as of December 31, 2013. As of December 31, 2013, Mr. Sabatino had 26,892 unvested restricted stock grants that would vest on termination of his employment agreement or change of control, with a fair value equal to \$686,015.

If Mr. Sabatino's employment is terminated within one year following the closing of a change in control by the company without cause, by Mr. Sabatino for good reason, or by the company giving a notice of

non-renewal of the agreement, then Mr. Sabatino will be entitled to a payment of two (2) times his total remuneration. He will also be eligible to receive a pro-rata portion of his annual discretionary cash bonus for the year in which his employment terminates. If there had been a change in control of MDC Partners on December 31, 2013 and Mr. Sabatino's employment terminated in connection with that change in control, the aggregate cash severance payment MDC would have paid him under the contract would be \$2,075,000. Furthermore, Mr. Sabatino will also be allowed to continue participating for one year after termination on the same basis as before he was terminated in all benefit plans. We will be obligated to pay him the economic equivalent of the benefits in these plans if Mr. Sabatino is unable to participate in the plans. The aggregate amount of this benefit would have been approximately \$21,272 if Mr. Sabatino's employment had terminated as of December 31, 2013.

Compensation Committee Interlocks and Insider Participation

Mr. Clare Copeland (Chairman), Mr. Thomas N. Davidson, Mr. Robert J. Kamerschen, Mr. Scott Kauffman, Mr. Michael J.L. Kirby and Mr. Irwin Simon served on the Human Resources & Compensation Committee of the Board of Directors during 2013. None of the persons who served on the Human Resources & Compensation Committee are, or have been, an employee or officer of the Company or had any relationship requiring disclosure under Item 404 of Regulation S-K. In addition, none of the Company's executive officers serves, or has served during the last completed fiscal year, as a member of the board of directors or compensation committee of any other entity that has or has had one or more of its executive officers serving as a member of the Company's Board of Directors.

Securities Authorized for Issuance Under Equity Compensation Plans

On May 26, 2005, the Company's shareholders approved the Company's 2005 Stock Incentive Plan, which was subsequently amended on June 1, 2007 and on June 2, 2009. The 2005 Stock Incentive Plan authorizes the issuance of awards to employees, officers, directors and consultants of the Company with respect to 6,750,000 shares of MDC Partners' Class A Shares or any other security in to which such shares shall be exchanged. On May 30, 2008, the Company's shareholders approved the 2008 Key Partner Incentive Plan, which provides for the issuance of 900,000 Class A Shares. On June 1, 2011, the Company's shareholders approved the 2011 Stock Incentive Plan, which provides for the issuance of up to 3,000,000 Class A shares. The SARs Plan was initially adopted and approved effective as of January 1, 2003, and was subsequently amended and restated in 2004, 2006 and 2013.

The following table sets out as at December 31, 2013 the number of securities to be issued upon exercise of outstanding options and rights, the weighted average exercise price of outstanding options and rights and the number of securities remaining available for future issuance under equity compensation plans.

	Number of Securities to be Issued Upon Exercise of Outstanding Options Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance (Excluding Column (a)) (c)
Equity Compensation Plans:			
Approved by stockholders:			
Share options and restricted stock	1,488,954 (1)	\$ 6.03	1,434,554 (2)
Not Approved by stockholders:			

(1) Includes 1,376,454 shares of restricted stock and RSUs.

(2) Restricted stock, RSUs and other forms of equity awards may be issued under the 2005 Stock Incentive Plan, 2008 Key Partner Incentive Plan, the 2011 Stock Incentive Plan and the Stock Appreciation Plan.

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Indebtedness of Directors, Executive Officers and Senior Officers

The aggregate indebtedness to MDC Partners or its subsidiaries as of December 31, 2013, of all current and former officers, directors and employees of MDC Partners or any of their subsidiaries (and their associates) entered into in connection with (a) a purchase of securities of MDC Partners pursuant to a securities purchase program, excluding routine indebtedness and (b) all other indebtedness, excluding routine indebtedness, was as described in the following table:

Aggregate Indebtedness

Purpose	To MDC Partners or Its Subsidiaries	To Another Entity
(a) Share purchases	\$ 256,529	
(b) Other		2,037,453

The following table sets forth all of the other indebtedness of the directors, executive officers and senior officers of MDC Partners and their associates to MDC Partners during the most recently completed financial year for unsecured loans repayable within twelve months after termination of employment.

Other Loans

Name and Principal Position	Largest Amount Outstanding During 2013 (\$)	Amount Outstanding as of December 31, 2013 (\$)	Interest Rate	Purpose of Loan
Miles S. Nadal, Chairman, Chief Executive Officer and President	5,477,751	0	(1) (2)	Personal loan to senior officer

(1) During April 2013, this loan was repaid in full.

(2) These loans were non-interest bearing.

The loans identified in the preceding chart were outstanding prior to the effective date of the Sarbanes-Oxley Act of 2002, and these grandfathered loans have not been subsequently modified or amended by the Company. As of April 26, 2013, Mr. Nadal has repaid and satisfied in full the remaining principal balance of all previously outstanding loans made by the Company to Mr. Nadal and his affiliates. After giving effect to this final repayment by Mr. Nadal to the Company, there is currently \$0 remaining due and owing to the Company in respect of all prior loans.

The Company's Corporate Governance Guidelines prohibit the Company from making any new personal loans or extensions of credit to Directors or executive officers of the Company.

Insurance

MDC holds directors and officers liability insurance policies that are designed to protect MDC Partners and its directors and officers against any legal action which may arise due to wrongful acts on the part of directors and/or officers of MDC. The policies are written for a limit of \$35 million, subject to a corporate deductible up to \$250,000 per claim. In respect of the fiscal year ended December 31, 2013, the cost to MDC of maintaining the policies was \$288,903. The twelve-month premium cost of the current policy, effective from August 1, 2013 until July 31, 2014, is equal to \$297,267.

Certain Relationships and Related Transactions

For transactions with related parties, see the Company's Form 10-K for the period ended December 31, 2013: Management's Discussion and Analysis of Financial Condition and Results of Operations - Transactions with Related Parties .

Other than as described herein or therein, no director, officer, principal shareholder or proposed nominee for election as a director of MDC and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of MDC's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect MDC.

The Company's Code of Conduct requires directors and employees to avoid activities that could conflict with the interests of MDC Partners, except for transactions that are disclosed and approved in advance. The Company has also adopted a written Related Party Transactions Policy, which requires that any related party transaction must be approved in advance by the Audit Committee; *provided, however*, that any ordinary course transaction in which an operating subsidiary of the Company derives revenue from a related party may be approved on an annual basis by the Audit Committee. To facilitate compliance with this policy, any Director or executive officer of the Company shall notify the Company's General Counsel and CFO as soon as reasonably practicable about any potential related party transaction. If the Company's General Counsel and CFO determine that the transaction constitutes a related party transaction, the transaction will be referred to the Audit Committee for its consideration. The Audit Committee will be provided with full details of the proposed related party transaction, including: the terms and conditions of the proposed transaction; the business purpose of the transaction; and the benefits to the Company and to the relevant related party. A copy of this Policy is available for review at [http://www.mdccorp.com/investors/corporate governance](http://www.mdccorp.com/investors/corporate-governance).

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing by MDC Partners under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, except to the extent MDC Partners specifically incorporates this Report by reference therein.

The Audit Committee is responsible for assisting the Board in serving as an oversight to MDC Partners' accounting, auditing, financial reporting, internal control and legal compliance functions. The Audit Committee has implemented procedures to ensure that during the course of each fiscal year, it devotes the attention that it deems necessary or appropriate to each of the matters assigned to it under its charter including, whenever appropriate, meeting in executive sessions with MDC Partners' independent auditors without the presence of MDC Partners' management.

Management is responsible for the financial reporting process, including the system of internal controls, for the preparation of consolidated financial statements in accordance with U.S. generally accepted accounting principles (GAAP) and for the report on the Company's internal control over financial reporting. The Company's independent auditors are responsible for auditing those financial statements and expressing an opinion as to their conformity with GAAP and for opining on the effectiveness of the Company's internal control over financial reporting. The Audit Committee's responsibility is to oversee and review the financial reporting process and to review and discuss the status and completed copy of management's report on the Company's internal control over financial reporting.

The Audit Committee reviewed and discussed with management and BDO USA, LLP's management's assessment of the Company's internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, including the matters more fully disclosed in Item 9A (Controls and Procedures) of the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

In overseeing the preparation of MDC Partners' financial statements, the Audit Committee met with both management and MDC Partners' outside auditors to review and discuss all financial statements prior to their issuance and to discuss significant accounting issues. Management advised the Audit Committee that all financial statements were prepared in accordance with GAAP, and the Audit Committee discussed the statements with both management and the outside auditors.

With respect to MDC Partners' outside auditors, the Audit Committee, among other things, discussed with BDO USA, LLP matters relating to its independence, and received from BDO USA, LLP written disclosures and a letter from BDO USA, LLP as required by Rule 3520 of the Public Company Accounting Oversight Board. The Audit Committee also discussed with the independent registered public accounting firm the matters required to be discussed by PCAOB Standard No. 16, *Communications with Audit Committee*, as amended, which includes, among other items, matters related to the conduct of the annual audit of MDC Partners' financial statements.

On the basis of their reviews and discussions, the Committee recommended to the Board that the Board approve (and the Board has approved) the inclusion of MDC Partners' audited financial statements in MDC Partners' Annual Report on Form 10-K for the fiscal year ended December 31, 2013, for filing with the Securities and Exchange Commission and the Canadian Securities Administrators.

Effective April 1, 2006 the Company engaged BDO USA, LLP (BDO USA) as its independent registered public accounting firm. The decision to engage BDO USA was made by the Audit Committee of the Board of Directors and the Board of Directors of the Company. The Committee and the Board have also approved, and submitted for shareholder approval, the selection of BDO USA, LLP as MDC Partners' independent auditors for the fiscal year

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ending December 31, 2014.

The Audit Committee's current charter is appended to this Circular as Exhibit A.

Audit Committee of the Board

Michael Kirby (Chair)

Thomas Davidson

Clare Copeland

Irwin Simon

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ITEM 2 APPOINTMENT OF AUDITORS

Subject to the action of the shareholders, upon recommendation of the Audit Committee, the Board has recommended to the shareholders the appointment of BDO USA, LLP, independent registered public accountants, to audit and report on the consolidated financial statements of MDC Partners for the fiscal year ending December 31, 2014 and to perform such other services as may be required of them. BDO USA, LLP has served as independent public accountants for MDC Partners since April 1, 2006. The Board has directed that management submit the appointment of the auditors for approval by the shareholders at the Meeting. Representatives of BDO USA, LLP are expected to be present at the meeting, will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate shareholder questions.

Unless otherwise instructed, the persons named in the accompanying proxy (provided the same is duly executed in their favor and is duly deposited) intend to vote FOR the appointment of BDO USA, LLP, independent registered public accountants, as auditors of MDC Partners, to hold office until the close of the next annual meeting of shareholders of MDC Partners, at a remuneration to be fixed by the directors of MDC Partners.

In addition to retaining BDO USA, LLP to audit MDC Partners consolidated financial statements for 2012 and 2013, the Company retained BDO USA, LLP and other consulting firms to provide advisory, auditing and consulting services in 2012 and 2013. These services included audit services, audit-related services, tax services and other services. The following tables set forth the aggregate fees billed to MDC Partners by BDO USA, LLP for professional services in fiscal years 2012 and 2013:

BDO USA, LLP

	2012	2013
Audit Fees ⁽¹⁾	\$ 2,129,000	\$ 2,312,000
Tax Fees ⁽²⁾	88,500	57,000
Audit Related Fees ⁽³⁾		
All Other Fees		
Total	\$ 2,217,500	\$ 2,369,000

(1) Fees for the annual financial statement audit, including internal control assessment related fees, quarterly financial statement reviews and regulatory comment letters.

(2) Fees for services rendered for foreign tax services.

(3) Fees for services rendered in connection with acquisition due diligence and other services.

All fees listed above have been pre-approved by the Audit Committee. The Audit Committee has, however, delegated to the Chairman of the Audit Committee the authority to pre-approve permitted non-audit services (as such services are defined by the Sarbanes-Oxley Act of 2002) provided that (i) the aggregate estimated amount of such fees will not exceed \$25,000 and (ii) the Chairman of the Audit Committee reports any pre-approval so granted at the next scheduled meeting of the Audit Committee.

The Audit Committee Charter provides for the Audit Committee to establish the auditors fees. Such fees have been based upon the complexity of the matters in question and the time incurred by the auditors.

**YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
A VOTE FOR APPOINTMENT OF BDO USA, LLP AS MDC PARTNERS AUDITORS.**

ITEM 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

The guiding principles of the Company's compensation policies and decisions include aligning each executive's compensation with the Company's business strategy and the interests of our shareholders and providing incentives needed to attract, motivate and retain key executives who are important to our long-term success. Consistent with this philosophy, a significant portion of the total incentive compensation for each of our executives is directly related to the Company's earnings and to other performance factors that measure our progress against the goals of our strategic and operating plans, as well as performance against our peers.

Shareholders are urged to read the Compensation Discussion and Analysis section of this Proxy Statement, as well as the Summary Compensation Table and other related compensation tables and narrative, which discusses how our compensation design and practices reflect our compensation philosophy. The Compensation Committee and the Board of Directors believe that our compensation design and practices are effective in implementing our guiding principles.

In accordance with recently adopted amendments to Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), and as a matter of good corporate governance, we are asking shareholders to approve the following advisory resolution at the 2014 Annual Meeting of Shareholders:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion contained in this Proxy Statement, is hereby **APPROVED**.

This advisory resolution, commonly referred to as a "say-on-pay" resolution, is non-binding on the Board of Directors. Although non-binding, the Board of Directors and the Compensation Committee will review and consider the voting results when making future decisions regarding our executive compensation program.

**YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
A VOTE FOR THE ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION.**

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under Section 16(a) of the Exchange Act, the Company's directors, executive officers and any persons holding 10% or more of the common stock are required to report their ownership of common stock and any changes in that ownership to the U.S. Securities and Exchange Commission (the SEC) and to furnish the Company with copies of such reports.

Specific due dates for these reports have been established and the Company is required to report in this Proxy Statement any failure to file on a timely basis by such persons. To the Company's knowledge, based solely upon a review of copies of such reports received by the Company which were filed with the SEC for the fiscal year ended December 31, 2013, and upon written representations from such persons that no other reports were required, the Company has been advised that all reports required to be filed under Section 16(a) have been timely filed with the SEC.

ADDITIONAL INFORMATION

A copy of the Annual Report on Form 10-K filed by MDC Partners with the Securities and Exchange Commission for 2012 is available, without charge, to shareholders at MDC Partners' website at www.mdc-partners.com, on the Securities and Exchange Commission's website at www.sec.gov, on the SEDAR website at www.sedar.com, or upon written request to 745 Fifth Avenue, 19th Floor, New York, NY 10151, Attention: Investor Relations. Financial information is provided in MDC Partners' consolidated financial statements and Management's Discussion & Analysis for the year ended December 31, 2013. A copy of MDC Partners' most recent consolidated financial statements, interim financial statements, and proxy statement and management information circular may also be obtained by shareholders, without charge, upon written request from the Secretary of MDC Partners or from the Securities and Exchange Commission's website at www.sec.gov or the SEDAR website at www.sedar.com.

SHAREHOLDER PROPOSALS FOR 2015 ANNUAL GENERAL MEETING

Under certain circumstances, stockholders are entitled to present proposals at stockholder meetings. The 2015 Annual Meeting of Stockholders will be held on or about June 1, 2015. Proposals of stockholders intended to be included in the proxy materials for the 2014 Annual Meeting of Stockholders must be received by the Secretary of the Company, 745 Fifth Avenue, 19th Floor, New York, NY 10151, by December 21, 2014, in a form that complies with the Company's Bylaws and applicable requirements. Any proposal submitted after December 21, 2014, will not be considered timely except as required by law.

GENERAL

Management knows of no matter to come before the Meeting other than the matters referred to in the accompanying Notice. If any matters which are not now known should properly come before the Meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgment of the person voting it.

The contents and sending of this Proxy Statement and Management Information Circular have been approved by the Board as of the date hereof.

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By Order of the Board

Mitchell Gendel
General Counsel and Corporate Secretary

New York, N.Y.
April 25, 2014

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EXHIBIT A

MDC PARTNERS INC.

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF MDC PARTNERS
INC.**

**AS ADOPTED BY THE BOARD
ON FEBRUARY 26, 2004**

I. Authority

The Audit Committee (the Committee) of the Board of Directors (the Board) of MDC Partners Inc. (the Corporation) is established pursuant to Section 42 of the Corporation's Bylaw No. A-1 and Section 158 of the Ontario Business Corporations Act. The Committee shall be comprised of three or more directors, as determined from time to time by resolution of the Board. Consistent with the appointment of other Board committees, the members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or at such other time as may be determined by the Board. The Chairman of the Committee shall be designated by the Board, provided that if the Board does not so designate a Chairman, the members of the Committee, by majority vote, may designate a Chairman. The presence in person or by telephone of a majority of the Committee's members shall constitute a quorum for any meeting of the Committee. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present.

II. Purpose of the Committee

The Committee's purpose is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation and its subsidiaries.

The Committee is directly responsible for the appointment (subject to shareholder approval), compensation, retention and oversight of the work of the Corporation's independent auditor engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation. In accordance with the requirements of the Sarbanes-Oxley Act of 2002 (the SOA), the Securities Exchange Act of 1934 (the Exchange Act) and the rules promulgated thereunder by the Securities and Exchange Commission (the SEC), the rules of the National Association of Securities Dealers, Inc. (the NASD), the rules of the Toronto Stock Exchange (the TSX) and the rules and instruments promulgated by the Ontario Securities Commission (the OSC), the independent auditor must report directly to the Committee and is accountable to the Committee (as representatives of the shareholders of the Corporation). The Committee's oversight responsibilities include the authority to approve all audit engagement fees and terms, as well as all permitted non-audit engagements and resolution of disagreements between management and the independent auditor regarding financial reporting.

It is the objective of the Committee to maintain free and open means of communications among the Board, the independent auditor, and the financial and senior management of the Corporation.

III. Composition of the Committee

Independence

Each member of the Committee shall be an independent director within the meaning of Section 10A(m)(3) of the Exchange Act, Rule 10A-3(b)(1) thereunder, and Rule 4200(a)(15) of the NASD, and an unrelated director within the meaning of section 472 of the TSX Listed Company Manual, subject to applicable exceptions.

Financial Literacy and Expertise

All members of the Committee must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. At least one member of the Committee shall be an audit committee financial expert within the meaning of applicable SEC and OSC rules and at least one member shall have accounting or related financial experience as required under applicable TSX and NASD rules.

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Specifically, the audit committee financial expert and the member with accounting or related financial experience must have the following attributes:

- (a) An understanding and ability to analyze and interpret a full set of financial statements, including the notes attached thereto, prepared in accordance with the generally accepted accounting principles used to prepare those statements;
- (b) An ability to assess the general application of generally accepted accounting principles in connection with the accounting for estimates, accruals and reserves;
Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can
- (c) reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;
 - (d) An understanding of internal controls and procedures for financial reporting; and
 - (e) An understanding of audit committee functions.

The Committee shall ensure that the Corporation provides to applicable regulatory authorities any required certification relating to adequacy of this Charter and composition of the Committee.

IV. Duties and Responsibilities of the Committee

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions. While there is no blueprint to be followed by the Committee in carrying out its duties and responsibilities, the following should be considered within the authority of the Committee (it being understood that the Committee may diverge from such matters as considered appropriate given the circumstances):

Selection and Evaluation of Auditors

- (a) Select the firm of independent public accountants to audit the books and accounts of the Corporation and its subsidiaries for each fiscal year;
- (b) Annually Review and approve the terms of engagement and determine the remuneration of Corporation's independent auditor; and
- (c) Review the performance of the Corporation's independent auditor and terminate or replace the independent auditor when circumstances warrant.

Independence of Auditors

- (a) Ensure that the Corporation's independent auditor is independent and capable of exercising impartial judgment on all issues encompassed within its engagement. Regard shall be had to all applicable rules and regulations relating to independence, including those with respect to financial relationships, employment relationships, business relationships, the provision of non-audit services, contingent fees, partner rotation and compensation.
Ensure that the independent auditor delivers to the Committee on a periodic basis a formal written statement
- (b) delineating all relationships between the independent auditor and the Corporation, consistent with Independence Standards Board Standard 1;
- (c) Actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor; and
 - (d) Take appropriate action to satisfy itself of the auditor's independence.

General Responsibility for Oversight of Auditors

The Corporation's independent auditor shall be ultimately accountable to the Committee and the Committee shall be (a) responsible for the appointment (subject to shareholder approval), compensation, retention and oversight of the work of the Corporation's independent auditor;

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- Pre-approve all audit and permitted non-audit services to be provided by the independent auditor. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the independent auditor, which policies and procedures are detailed as to the particular service. All non-audit services to be provided to the Corporation or any of its subsidiaries by the independent auditor or any of its subsidiaries which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee; and
- (c) Resolve all disagreements between management and the independent auditor regarding financial reporting.

Oversight of Annual Audit and Quarterly Financial Statements

- Review and approve the annual audit plan of the Corporation's independent auditor, including the audit and non-audit services that the auditor is providing for the Corporation and its subsidiaries, the level of responsibility assumed by the auditor under generally accepted auditing standards and a summary of the audit approach; Before the release of annual financial statements, discuss with the independent auditor all matters required by PCAOB 16 (including the independent auditor's responsibility under GAAP, the selection of and changes in significant accounting policies or their application, management judgments and accounting estimates, significant audit adjustments, the independent auditor's responsibility for information other than financial statements, disagreements with management, consultation with other accountants, and difficulties encountered in performing the audit) and CICA Handbook section 5751 (which governs the communications between the independent auditors and the Committee);
- (c) Receive a report from the Corporation's independent auditor, prior to the filing of the audit report with the SEC or the OSC, regarding:
- (i) all critical accounting policies and practices used by the Corporation;
 - all material alternative accounting treatments of financial information within Canadian GAAP that have been
 - (ii) discussed with management, including the ramifications of the use of such alternative treatments, and the treatment preferred by the independent auditor; and
 - (iii) other material communications between the independent auditor and management;
- (d) Review and discuss with management the quarterly financial statements. Discuss with the independent auditor the results of its procedures on the statements.
- (e) Prior to any disclosure, review and recommend to the Board for approval:
 - (i) the annual financial statements and related documents (MD&A, AIF, etc.);
 - (ii) the quarterly financial reports and related documents (including MD&A); and
 - (iii) other disclosure documents containing financial information that would likely be material to either the quarterly or annual financial statements.

Oversight and Monitoring of Other Financial Disclosures

- Review and recommend to the Board for approval all financial information of the Corporation contained in any prospectus, annual information form, information circular or similar document of the Corporation, and any earnings press release to be issued in conjunction with the annual and quarterly results; Annually or more frequently as required, discuss with management the types of financial and operational information and earnings guidance to be disclosed to credit rating agencies that are subject to confidentiality agreements. The Committee need not discuss in advance with management each instance in which the Corporation gives earnings guidance to credit rating agencies, unless the substance of a presentation to any credit rating agency constitutes a material shift in the Corporation strategy not previously approved by the Board;

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- Annually or more frequently as required, discuss with management the types of financial and operational information and earnings guidance to be disclosed to analysts or shareholders (in groups or one-on-one) and the processes for ensuring that new material information is first or simultaneously disseminated in the public domain
- (c) and subsequently included on the Corporation's website. The Committee need not discuss in advance with management each instance in which the Corporation gives earnings guidance to analysts, unless the substance of a presentation to any analyst constitutes a material shift in the Corporation strategy not previously approved by the Board; and
- (d) Review the public disclosure required in connection with the Committee's pre-approval of audit and non-audit services provided by the independent auditor.

Oversight of Financial Reporting Processes and Internal Controls

- Review with management and the independent auditor the adequacy and effectiveness of the Corporation's
- (a) accounting and internal control policies and procedures, including controls and security of the computerized information systems;
- (b) Review with management its compliance with prescribed policies, procedures and internal control;
- (c) Review with management and the independent auditor any reportable conditions and material weaknesses affecting internal control;
- (d) Establish and maintain free and open means of communication between and among the Board, the Committee, the Corporation's independent auditor and the Corporation's management; and
- (e) Review with management major financial and asset related risks and the steps taken to monitor and control such risks.

Other Matters

- (a) Meet with outside counsel when appropriate, to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Corporation;
- (b) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) Review and approve all related party transactions with any director or nominee, executive officer, holder of more than 5% of any class of the Corporation's voting securities or any family member of the foregoing persons, other than those related party transactions in respect of which the Board has delegated review and approval to a special committee of independent directors;
- (d) Conduct or authorize investigations into any matters within the Committee's scope of responsibilities, including retaining outside counsel or other consultants or experts for this purpose; and
- (e) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

With respect to the duties and responsibilities listed above, the Committee should:

- (a) Report regularly to the Board on its activities, as appropriate;
- (b) Exercise reasonable diligence in gathering and considering all material information;
- (c) Understand and weigh alternative courses of conduct that may be available;
- (d) Focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;
- (e) If the Committee deems it appropriate, secure independent expert advice and understand the expert's

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findings and the basis for such findings, including retaining independent counsel, accountants or others to assist the Committee in fulfilling its duties and responsibilities;

(f) Provide management and the Corporation's independent auditor with appropriate opportunities to meet privately with the Committee; and

(g) Review the Charter of the Audit Committee annually and recommend it to the Board.

V. Meetings of the Committee

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. As part of its purpose to foster open communications, the Committee shall meet at least annually with management and the Corporation's independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups or persons believe should be discussed privately. The Chairman should work with the Chief Financial Officer and management to establish the agendas for Committee meetings. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities and provide copies of such minutes to the Board.

VI. Advisors and Funding

The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of any compensation (i) to any independent auditor engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Corporation, and (ii) to any independent advisors employed by the Committee.

VII. Disclosure and Review of Charter

The charter shall be (1) published in the Corporation's annual report or information circular once every three years or following a material amendment to it; or (2) be posted in an up-to-date format on the Corporation's web site. The Committee should review and reassess annually the adequacy of this Charter as required by the applicable rules of Nasdaq or the TSX.

While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management has the responsibility for preparing the financial statements and implementing internal controls and the independent auditor have the responsibility of auditing the financial statements. Similarly, it is not the responsibility of the Committee to resolve disagreements, if any, between management and the independent auditor or to ensure that the Corporation complies with all laws and regulations.

EXHIBIT B

**CORPORATE GOVERNANCE
DISCLOSURE OF CORPORATE GOVERNANCE
PRACTICES
(CANADIAN NATIONAL INSTRUMENT 58-101)**

The directors MDC Partners Inc. consider good corporate governance to be central to the effective and efficient operation of the Corporation. The business of the Corporation is supervised by its board of directors, directly and through its committees. The Canadian Securities Administrators require disclosure on an annual basis of the Corporation's corporate governance practices in accordance with Form 58-101 *Disclosure of Corporate Governance Practices*. The Corporation's corporate governance practices are set out below.

The Board of Directors

In determining whether a particular director is independent, the Board examines the factual circumstances in the context of that particular year. The Board proposed for election in this Circular is composed of eight members, all of whom are considered to be independent directors with the exception of Messrs. Nadal and Pustil, who are members of management. The following directors of MDC Partners also serve as directors (or senior executive officers) of companies that are reporting issuers (or the equivalent) in Canada or the U.S.:

Scott L. Kauffman: currently serves as the President and Chief Executive Officer, and as a director, of New Engineering University, and also serves as the Chairman of several venture-backed internet companies.

Clare Copeland: currently serves as Vice Chairman of Falls Management Company. He is also a trustee of RioCan Real Estate Investment Trust, Chesswood Income Fund, and Telesat, and is a member of the board of directors of Danier Leather Inc. and Entertainment One Ltd.

Thomas N. Davidson: currently serves as Chairman of NuTech Precision Metals, Inc.

Robert J. Kamerschen: currently is a private investor and serves as a senior advisor and consultant.

Michael J.L. Kirby: currently serves as a director of Just Energy Income Fund and Indigo Books & Music Inc.

Stephen M. Pustil: currently serves as a director of Trez Capital Mortgage Investment Corporation and Trez Senior Mortgage Investment Corporation.

Irwin D. Simon: currently serves as a director of The Hain Celestial Group and the Jarden Corporation.

All independent directors frequently meet at the beginning or end of each regularly scheduled quarterly Board or Committee meeting without non-independent directors and management present. The Board has access to information independent of management through MDC Partners' auditor who reports to the Audit Committee. The specific responsibilities of the Board include reviewing and approving all major strategic decisions, including any change in the strategic direction of MDC Partners and acquisitions and/or divestitures and other matters (such as guarantees) in excess of \$5 million; reviewing and approving annual budgets, including capital expenditure plans; reviewing and

approving operating results for each quarter and year to date. As part of its ongoing activities, the Board regularly receives and comments upon reports of management as to the performance of MDC Partners' business and management's expectations. The Board is therefore of the view that the appropriate structures and procedures are in place to ensure that it can function independent of management.

Effective as of March 1, 2012, the Board appointed Mr. Scott L. Kauffman as the Presiding Director of the Board. Mr. Kauffman is independent.

Board Mandate

The Board of Directors recently adopted a set of Corporate Governance Guidelines as a framework within which the Board and its Committees will conduct its business. A copy of the Guidelines is available free of charge at MDC Partners' website at http://www.mdc-partners.com/#/corporate_info/governance.

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Position Descriptions

The Company's bylaws and the Charters of each Board committee provide a detailed description of the roles and responsibilities of the Board (including the Chairman), management and each committee of the Board and their respective chairs.

The primary functions of the CEO are to lead the management of our businesses and affairs in accordance with the Company's strategic plan and operating and capital budgets, as approved by the Board.

The Board has developed a written position description and mandate, which sets forth the CEO's key responsibilities. These responsibilities include the following: (a) develop and recommend to the Board a long-term strategy and vision for the Company that leads to creation of shareholder value; (b) develop and recommend to the Board annual business plans and budgets that support the Company's long-term strategy; (c) consistently strive to achieve the Company's financial and operating goals and objectives; and (d) develop the corporate and partner management teams and succession plans.

The Human Resources & Compensation Committee (described below) is responsible for establishing, monitoring and evaluating objectives and standards of performance for the Chief Executive Officer and other executive officers on an annual basis. Salary, bonus, loans or other payments for the benefit of the Chief Executive Officer must be reviewed and approved by the Human Resources & Compensation Committee. Related party expenses for services rendered and in the nature of expense reimbursement must also be approved by the Human Resources & Compensation Committee.

Orientation and Continuing Education

New directors to MDC Partners have generally been executives with extensive business experience and directorship responsibilities on the boards of other public and private institutions. Orientation for these individuals is provided through a review of past Board materials and other private and public documents concerning MDC Partners. In addition, Board members are encouraged to attend (at the cost and expense of the Company) continuing education programs identified by the Nominating and Corporate Governance Committee each year to ensure that they maintain the skills necessary for them to meet their obligations as directors.

Ethical Business Conduct

The Company has adopted a Code of Conduct, which applies to all directors, officers (including the Company's Chief Executive Officer and Chief Financial Officer) and employees of the Company and its subsidiaries. The Code of Conduct was adopted in order to help directors, officers and employees resolve ethical issues. The Code of Conduct covers topics including, but not limited to, conflicts of interest, confidentiality of information and compliance with laws. The Company's policy is to not permit any waiver of the Code of Conduct for any director or executive officer, except in extremely limited circumstances. The Board, through the Audit Committee, monitors and assesses and claims alleged under the Code of Conduct. Any waiver of this Code of Conduct for directors or officers of the Company must be approved by the Company's Board of Directors. Amendments to and waivers of the Code of Conduct will be publicly disclosed as required by applicable laws, rules and regulations. The Code of Conduct is available free of charge on the Company's website at <http://www.mdc-partners.com>, or by writing to MDC Partners Inc., 745 Fifth Avenue, 19th Floor, New York, NY 10151, Attention: Investor Relations.

Nomination of Directors

The Nominating and Corporate Governance Committee is composed of four members, all of whom are considered to be independent. The Nominating and Corporate Governance Committee is responsible for reviewing and making recommendations to the full Board with respect to developments in the area of corporate governance and the practices of the Board. The Nominating and Corporate Governance Committee is also responsible for evaluating the performance of the Board as a whole and for reporting to the Board with respect to appropriate candidates for nominations to the Board. The current members of the Nominating and Corporate Governance Committee are Messrs. Robert J. Kamerschen (Chairman), Thomas N. Davidson, Scott L. Kauffman, and Michael J.L. Kirby. The Nominating and Corporate Governance Committee's current charter is available at http://www.mdc-partners.com/#/corporate_info/committees. The Company will disclose any

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amendments to, or waivers of, the charter on its website at *www.mdc-partners.com* in accordance with applicable law and the requirements of the NASDAQ corporate governance standards.

The Nominating and Corporate Governance Committee identifies, selects and recommends to the Board individuals qualified to serve both on the Board and on Board committees, including persons suggested by shareholders and others. In identifying candidates for nominations to the Board, the Nominating and Corporate Governance Committee seeks to maintain at all times a Board with a diverse range of experience, talent, expertise and background appropriate for the business of the Company. The Nominating and Corporate Governance Committee does not require any specific minimum qualifications or specific qualities or skills, but reviews each person's qualifications on the whole, including a candidate's particular experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that the Nominating and Corporate Governance Committee considers appropriate in the context of the needs of the Board. Following that review, the Nominating and Corporate Governance Committee then selects nominees and recommends them to the Board for election by the shareholders or appointment by the Board, as the case may be. The Nominating and Corporate Governance Committee also reviews the suitability of each Board member for continued service as a director when that member's term expires or that member experiences a significant change in status (for example, a change in employment). The Nominating and Corporate Governance Committee has not implemented any particular additional policies or procedures with respect to suggestions received from shareholders with respect to Board or committee nominees.

Pursuant to its charter, the Nominating and Corporate Governance Committee may conduct or authorize investigations or studies into matters within its scope of responsibilities and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it may deem necessary from time to time. The Nominating and Corporate Governance Committee has the sole authority to retain or terminate any search firm to be used to identify director candidates, including the sole authority to approve its fees and retention terms, with the Company bearing the cost of such fees.

Compensation

The Human Resources & Compensation Committee is composed of six members, all of whom are considered to be independent. The Human Resources & Compensation Committee makes recommendations to the Board on, among other things, the compensation of senior executives. The Human Resources & Compensation Committee discusses personnel and human resources matters including recruitment and development, management succession and benefits plans and grants awards under the 2011 Stock Incentive Plan, the 2005 Stock Incentive Plan and the SARs Plan. Salary, bonus or other payments for the benefit of senior management are reviewed and approved by the Human Resources & Compensation Committee. The Human Resources & Compensation Committee reviews the compensation of members of the Board on an annual basis and makes recommendations to the Board. The Board considers their remuneration appropriate given the time commitment, risk and responsibilities associated with the position. The current members of the Human Resources & Compensation Committee are Messrs. Clare Copeland (Chairman), Thomas N. Davidson, Robert J. Kamerschen, Michael J.L. Kirby, Scott L. Kauffman and Irwin Simon.

The Human Resources & Compensation Committee's current charter is available at http://www.mdc-partners.com/#/corporate_info/committees. The Company will disclose any amendments to, or waivers of, the charter on its website at *www.mdc-partners.com* in accordance with applicable law and the requirements of the NASDAQ corporate governance standards.

Other Board Committees

The Board conducts its business through meetings of the Board and three standing committees: the Audit Committee, the Human Resources & Compensation Committee and the Nominating and Corporate Governance Committee.

Copies of the charters of these committees are available, free of charge at MDC Partners website located at http://www.mdc-partners.com/#/corporate_info/committees.

In addition, from time to time, special committees may be established under the direction of the Board when necessary to address specific issues.

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Assessments

The Nominating and Corporate Governance Committee is responsible for developing and recommending standards of performance of the Board, its committees and the individual directors through administration of an annual questionnaire. It is the responsibility of the Nominating and Corporate Governance Committee to assess the effectiveness of the Board as a whole and the committees of the Board. Participation of directors is expected at all Board and committee meetings. Directors are asked to notify MDC Partners if they are unable to attend, and attendance at meetings is duly recorded.

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FORM OF PROXY CLASS A SHARES

MDC PARTNERS INC.

FORM OF PROXY

THIS PROXY IS SOLICITED BY THE MANAGEMENT OF MDC PARTNERS INC. (MDC PARTNERS) FOR USE AT THE ANNUAL MEETING OF THE SHAREHOLDERS TO BE HELD ON JUNE 5, 2014.

The undersigned, a shareholder of MDC Partners, hereby nominates, constitutes and appoints as his or her nominee Mr. Miles S. Nadal, or failing him, Mr. Mitchell Gendel, or instead of any of the foregoing (strike out preceding names and print name of alternative nominee), with full power of substitution, to attend and vote all of the Class A Shares of MDC Partners held by the undersigned for and on behalf of the undersigned at the annual meeting of shareholders of MDC Partners to be held on Thursday, June 5, 2014 at MDC s Innovation Centre, 745 Fifth Avenue, New York, N.Y. commencing at 10:00 a.m. (New York City time) (the Meeting) and at any adjournment or postponement thereof in the manner indicated. If no specification is made, the shares represented by this proxy will be voted **FOR** each of the matters specified below:

The nominees proposed by management to act as directors of MDC Partners, to hold office until successors are elected at the next annual meeting of MDC Partners, or any adjournment or postponement thereof, or until his successor is otherwise elected, are:

	Vote FOR :	WITHHOLD from Voting:
Miles S. Nadal	<input type="radio"/>	<input type="radio"/>
Clare Copeland	<input type="radio"/>	<input type="radio"/>
Scott L. Kauffman	<input type="radio"/>	<input type="radio"/>
Michael J.L. Kirby	<input type="radio"/>	<input type="radio"/>
Stephen M. Pustil	<input type="radio"/>	<input type="radio"/>
Irwin D. Simon	<input type="radio"/>	<input type="radio"/>

2. to Vote **FOR** or to **WITHHOLD** from Voting on the appointment of BDO USA, LLP to act as auditors of MDC Partners and to authorize the directors to fix their remuneration.

3. to Vote **FOR** **AGAINST** a non-binding advisory resolution on the Company s executive compensation.

I HEREBY REVOKE ANY PRIOR PROXY OR PROXIES IN FAVOR OF THE NOMINEE. WITH RESPECT TO AMENDMENTS OR VARIATIONS TO ANY MATTER IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING, I HEREBY CONFER DISCRETIONARY AUTHORITY ON THE PERSON WHO VOTES AND ACTS ON MY BEHALF HEREUNDER TO VOTE WITH RESPECT TO AMENDMENTS OR VARIATIONS TO THE ABOVE MATTERS AND ON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING, AS HE OR SHE THINKS FIT. THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN ON ANY VOTE OR BALLOT CALLED.

DATED this day of , 2014.

PRINT NAME:

Edgar Filing: MOALLI JOHN E - Form 4

Signature of Registered Shareholder:

Number of Class A Shares Represented Hereby:

INSTRUCTIONS FOR PROXY:

This proxy must be dated and signed by a shareholder or his or her attorney duly authorized in writing, or if the shareholder is a corporation, by the proper officers or directors under its corporate seal, or by an officer or attorney thereof duly authorized. When signing in a fiduciary or representative capacity, please give full title as such.

A shareholder has the right to appoint a person to attend and act for him or her and on his or her behalf at the Meeting other than the persons designated in this form of proxy. Such right may be exercised by filling in the name of such person in the blank space provided and striking out the names of management's nominees. A person appointed as nominee to represent a shareholder need not be a shareholder of MDC Partners. **A person appointed as your proxy holder must be present at the Meeting to vote.**

If not dated, this proxy is deemed to bear the date on which it was mailed on behalf of the management of MDC Partners.

Each shareholder who is unable to attend the Meeting is respectfully requested to date and sign this form of proxy and return it using the self-addressed envelope provided.

To be valid, this proxy must be received by the proxy department of CST Trust Company, Attn: Proxy Department, not later than 10:00 a.m. (Eastern Daylight Time) on Tuesday, June 3, 2014, or 48 hours before the time of the holding of any adjourned or postponed Meeting, or delivered to the Chairman on the day of the Meeting or any adjournment or postponement thereof. The proxy cut off time may be waived or extended by the chairman of the meeting without notice. Proxies may be submitted by one of the following alternative methods:

By Internet: www.cstvotemyproxy.com and enter the 13 digit control number printed on the form of proxy and follow the instructions on screen;

By Phone: [1-888-489-5760](tel:1-888-489-5760) (toll-free in North America) and enter the 13 digit control number printed on the form of proxy;

By Email: proxy@canstockta.com;

By Fax: [416-368-2502](tel:416-368-2502) or [1-866-781-3111](tel:1-866-781-3111) (toll-free in North America); or

By Mail: CST Trust Company, Attn. Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1.

Any of the joint holders of common shares of MDC Partners may sign a form of proxy in respect of such common shares but, if more than one of them is present at the Meeting or represented by proxy holder, then that one of them whose name appears first in the register of the holders of such common shares, or that one's proxy holder will alone be entitled to vote in respect thereof.

Any questions and requests for assistance may be directed to the
Proxy Solicitation Agent:

The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
Canada M5X 1E2

Call Toll-Free at: 1-866-228-8614 within North America

Call Collect at: 416-867-2272 outside North America

E-mail: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

FORM OF PROXY CLASS B SHARES

MDC PARTNERS INC.

FORM OF PROXY

THIS PROXY IS SOLICITED BY THE MANAGEMENT OF MDC PARTNERS INC. (MDC PARTNERS) FOR USE AT THE ANNUAL MEETING OF THE SHAREHOLDERS TO BE HELD ON JUNE 5, 2014.

The undersigned, a shareholder of MDC Partners, hereby nominates, constitutes and appoints as his or her nominee Mr. Miles S. Nadal, or failing him, Mr. Mitchell Gendel, or instead of any of the foregoing (strike out preceding names and print name of alternative nominee), with full power of substitution, to attend and vote all of the Class B Shares of MDC Partners held by the undersigned for and on behalf of the undersigned at the annual meeting of shareholders of MDC Partners to be held on Thursday, June 5, 2014 at MDC s Innovation Centre, 745 Fifth Avenue, New York, N.Y. commencing at 10:00 a.m. (New York City time) (the Meeting) and at any adjournment or postponement thereof in the manner indicated. If no specification is made, the shares represented by this proxy will be voted **FOR** each of the matters specified below:

The nominees proposed by management to act as directors of MDC Partners, to hold office until successors are elected at the next annual meeting of MDC Partners, or any adjournment or postponement thereof, or until his successor is otherwise elected, are:

	Vote FOR :	WITHHOLD from Voting:
Miles S. Nadal	<input type="radio"/>	<input type="radio"/>
Clare Copeland	<input type="radio"/>	<input type="radio"/>
Scott L. Kauffman	<input type="radio"/>	<input type="radio"/>
Michael J.L. Kirby	<input type="radio"/>	<input type="radio"/>
Stephen M. Pustil	<input type="radio"/>	<input type="radio"/>
Irwin D. Simon	<input type="radio"/>	<input type="radio"/>

2. to Vote **FOR** or to **WITHHOLD** from Voting on the appointment of BDO USA, LLP to act as auditors of MDC Partners and to authorize the directors to fix their remuneration.

3. to Vote **FOR** or **AGAINST** a non-binding advisory resolution on the Company s executive compensation.

I HEREBY REVOKE ANY PRIOR PROXY OR PROXIES IN FAVOR OF THE NOMINEE. WITH RESPECT TO AMENDMENTS OR VARIATIONS TO ANY MATTER IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING, I HEREBY CONFER DISCRETIONARY AUTHORITY ON THE PERSON WHO VOTES AND ACTS ON MY BEHALF HEREUNDER TO VOTE WITH RESPECT TO AMENDMENTS OR VARIATIONS TO THE ABOVE MATTERS AND ON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING, AS HE OR SHE THINKS FIT. THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN ON ANY VOTE OR BALLOT CALLED.

DATED this day of , 2014.

PRINT NAME:

Edgar Filing: MOALLI JOHN E - Form 4

Signature of Registered Shareholder:

Number of Class B Shares Represented Hereby:

INSTRUCTIONS FOR PROXY:

This proxy must be dated and signed by a shareholder or his or her attorney duly authorized in writing, or if the shareholder is a corporation, by the proper officers or directors under its corporate seal, or by an officer or attorney thereof duly authorized. When signing in a fiduciary or representative capacity, please give full title as such.

A shareholder has the right to appoint a person to attend and act for him or her and on his or her behalf at the Meeting other than the persons designated in this form of proxy. Such right may be exercised by filling in the name of such person in the blank space provided and striking out the names of management's nominees. A person appointed as nominee to represent a shareholder need not be a shareholder of MDC Partners. **A person appointed as your proxy holder must be present at the Meeting to vote.**

If not dated, this proxy is deemed to bear the date on which it was mailed on behalf of the management of MDC Partners.

Each shareholder who is unable to attend the Meeting is respectfully requested to date and sign this form of proxy and return it using the self-addressed envelope provided.

To be valid, this proxy must be received by the proxy department of CST Trust Company, Attn: Proxy Department, not later than 10:00 a.m. (Eastern Daylight Time) on Tuesday, June 3, 2014, or 48 hours before the time of the holding of any adjourned or postponed Meeting, or delivered to the Chairman on the day of the Meeting or any adjournment or postponement thereof. The proxy cut off time may be waived or extended by the chairman of the meeting without notice. Proxies may be submitted by one of the following alternative methods:

By Internet: www.cstvotemyproxy.com and enter the 13 digit control number printed on the form of proxy and follow the instructions on screen;

By Phone: [1-888-489-5760](tel:1-888-489-5760) (toll-free in North America) and enter the 13 digit control number printed on the form of proxy;

By Email: proxy@canstockta.com;

By Fax: [416-368-2502](tel:416-368-2502) or [1-866-781-3111](tel:1-866-781-3111) (toll-free in North America); or

By Mail: CST Trust Company, Attn. Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1.

Any of the joint holders of common shares of MDC Partners may sign a form of proxy in respect of such common shares but, if more than one of them is present at the Meeting or represented by proxy holder, then that one of them whose name appears first in the register of the holders of such common shares, or that one's proxy holder will alone be entitled to vote in respect thereof.

Any questions and requests for assistance may be directed to the
Proxy Solicitation Agent:

The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
Canada M5X 1E2

Call Toll-Free at: 1-866-228-8614 within North America

Call Collect at: 416-867-2272 outside North America

E-mail: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

