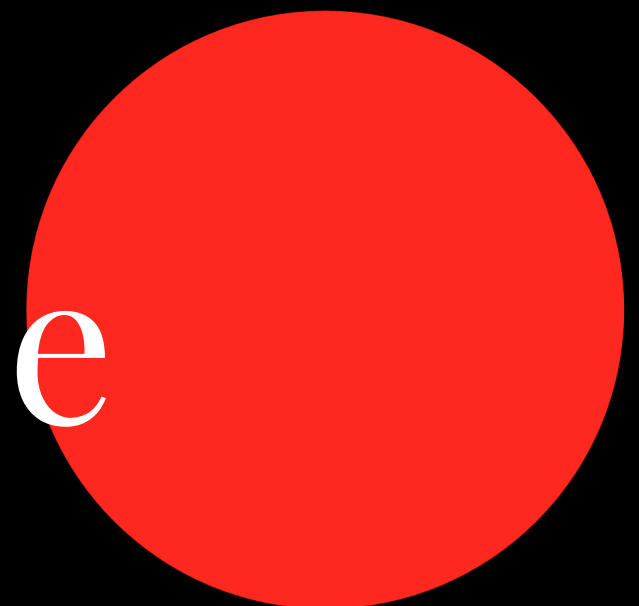




2024-2025 Proxy Statement Reader Intelligence Guide



A Resource for Effective Communications



At Labrador, we make corporate disclosures transparent to help instill trust in business.

This intelligence guide is intended for Labrador clients only, and should not be reproduced, distributed or transmitted in any form or by any means without the prior written permission of Labrador.

The information and recommendations included in this intelligence guide should not be considered or taken as legal counsel or advice. Summaries of regulatory rules and regulations are provided as background information and should not be relied on for compliance purposes. Labrador strongly suggests collaborating with your legal team early and often on all investor and other stakeholder-focused communications.

For more information about our proxy, sustainability, and annual report services, visit <https://www.labrador-company.com/>. **You can read our thought pieces at** <https://www.labrador-company.com/our-thoughts/>.

Explore by Labrador

Search, benchmark and review Annual Reports, Sustainability Reports and Proxy Statements. Search text and parse graphics by subject, compare peer disclosure and extract sections across reports. View results on screen, or download reports in PDF format.

Learn more and sign up at www.labrador-company.com

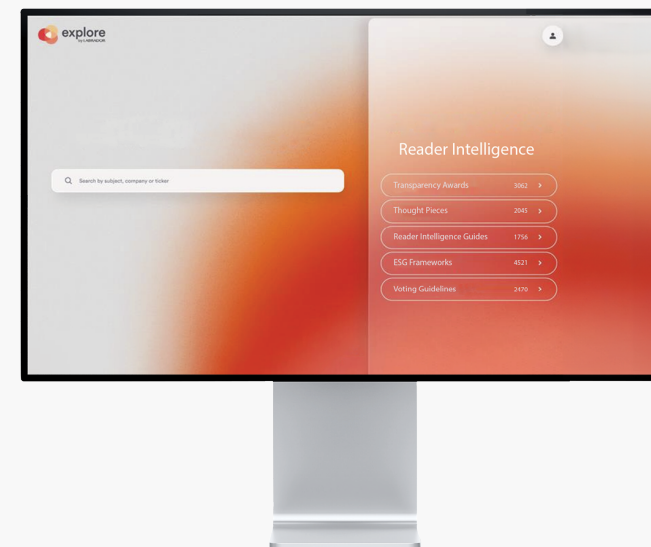




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How to Use the Reader Intelligence Guide

Labrador created the Reader Intelligence Guide to provide you, our valued client, with a robust resource of information as you develop your proxy disclosures. The information in this guide is for reference only to assist you in making informed decisions and proceed with confidence. Labrador’s collective knowledge base is powered by our proven record of accomplishments, our diverse team of subject matter experts, and our strong industry partnerships, including with Workiva.

Our recommendations are guided by Labrador’s mission to support transparency in corporate disclosures, which we champion through our annual Transparency Awards. As part of this process, an independent Transparency Scientific Committee approves objective and universal criteria that reflect the 5 Pillars of Transparency: Clarity, Accessibility, Precision, Comparability, and Availability.

The content in this guide is further informed by the following:

- Labrador’s annual benchmarking of proxy statements.
- Thought leadership and voting guidelines from institutional investors, such as BlackRock, State Street Global Advisors, Vanguard, Fidelity and others.
- Priorities articulated by investor advocacy groups.
- Policies and guidelines issued by proxy advisory firms, ISS and Glass Lewis.
- Regulatory guidance and trends based on “beyond compliance” considerations.
- To the extent applicable, highly-regarded global ESG reporting frameworks and standards, as well as ESG raters and rankers.
- Labrador’s knowledge of and expertise with proxy statement reporting best practices.

The beginning pages of this guide provide background information, including a summary of recent developments and an overview of interested stakeholders and benchmark findings.

The remaining pages provide, by proxy topic, insight into stakeholder expectations, current market best practices (including company examples), Labrador recommendations and “looking ahead” disclosure changes/trends.

Look for  throughout this guide for proxy examples known to be created on the Workiva platform.

Look for Labrador Transparency Criteria  throughout this guide for more on these criteria and how they relate to each topic.



Stakeholder Expectations

The proxy trends we have seen over the last several years are driven by the concerns and interests of a wide variety of stakeholders. A few categories of stakeholders and their use of proxy statements are listed below.

STAKEHOLDERS	Shareholders, including Institutional Investors, Pension Funds and Investor Advocacy Groups	Regulatory Agencies	Proxy Advisory Firms	Rating Agencies	Employees (Current and Future; Part-Time and Contractors)	Non-governmental organizations (NGOs), including CDP, GRI, ISSB (SASB), etc.	Peers, including associations and partnerships
PRIMARY USE OF PROXY	<ul style="list-style-type: none"> • Information for voting decisions, including: <ul style="list-style-type: none"> — Board effectiveness (right board to oversee strategy/ deliver long-term shareholder value) and adoption of governance best practices — Pay and performance alignment — Audit concerns 	<ul style="list-style-type: none"> • Compliance, transparency, consistency with other documents 	<ul style="list-style-type: none"> • Alignment with best practices and norms that fit into each proxy advisory firm's voting guidelines 	<ul style="list-style-type: none"> • Alignment with best practices and norms that fit into each agency's rating criteria 	<ul style="list-style-type: none"> • May also be shareholders; may read for Board perspective on company and compensation 	<ul style="list-style-type: none"> • Management of ESG risks and opportunities, especially around climate, human rights, human capital management, and diversity, equity and inclusion (financial materiality) • Ethics, integrity and transparency 	<ul style="list-style-type: none"> • Benchmarking of governance, compensation, and increasingly ESG practices and oversight



Benchmark at a Glance

The benchmarking data in this guide is based on our review of the 2024 proxy statements of the 100 companies set forth in the Appendix.

Summary of Findings

The following charts summarize our benchmark findings.

Publishing of Proxy Statements

49.0%

The company provides an interactive version with links to navigate to and from sections of the document, including table of contents



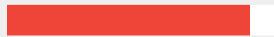
12.0%

Print version uses a two-column page layout



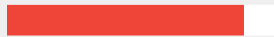
91.0%

Document is available in print PDF format on the Investor Relations webpage



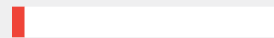
89.0%

SEC EDGAR version uses a one-column page layout



5.0%

PDF is combined with the Annual Report



54.0%

The company files a courtesy PDF with the SEC



Overall Design of Proxy Statements

46.0%

Every page footer or header includes the company name, document title and year, and relevant section





Document Organization

51.0%

All core proposals (election of directors, say-on-pay and ratification of auditors) precede relevant disclosures



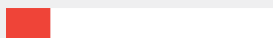
74.0%

"Election of Directors" proposal precedes relevant disclosures



17.0%

"Election of Directors" proposal is located right after the relevant disclosure (governance/board)



74.0%

"Ratification of Auditors" proposal precedes relevant disclosures



15.0%

"Ratification of Auditors" proposal is located right after the relevant disclosure (audit information)



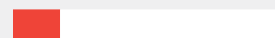
65.0%

"Say-on-Pay" proposal precedes relevant disclosures



18.0%

"Say-on-Pay" proposal is located right after the relevant disclosures (executive compensation or CD&A)



Covers and Introductory Pages

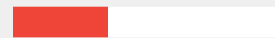
89.0%

The document includes a cover



36.0%

The document includes an introductory letter providing an overview of the board's priorities/ focus areas from either independent Board leadership or the full Board



74.0%

Second page of the document (inside front cover) includes substantive information



50.0%

Mission, vision or purpose of the company is presented within the introductory pages



99.0%

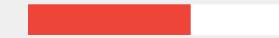
The document includes a table of contents



Company Overview and Performance Highlights

61.0%

Company overview section included



2.95 pages

Average number of pages of company overview section

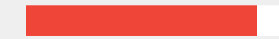
37.7%

Summary of company strategy



86.9%

Business and financial highlights using graphics or other visual elements



54.1%

ESG highlights



39.3%

HCM information





Proxy Summaries

72.0%

Proxy summary or introductory pages include a table summarizing the proposals and the board's recommendation for each one



6.66 pages

Average number of pages of proxy summary

Board of Directors

42.0%

Proxy summary or introduction to election of directors proposal includes a board summary matrix, table, graphics or other visual elements that names all directors and includes, at a minimum: each director's primary occupation; age; independence; tenure; and committee membership



82.0%

Each director biography includes a photo and three separately presented attributes (such as tenure, age, independence, other public directorships and committee assignments)



Corporate Governance

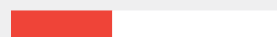
57.0%

Proxy summaries include governance highlights



38.0%

Corporate Governance section includes a summary of key governance highlights, practices and/or policies (e.g., what we do/don't do, best practices list or adoption timeline)



1.0%

Corporate Governance section includes a letter from the Nominating/Corporate Governance Committee or Chair



Sustainability and HCM

67.0%

The document includes an Sustainability/ESG section



3.39 pages

Average number of pages of Sustainability/ESG section

61.0%

The document includes a human capital highlights/summary section



Director Compensation

Director compensation location

45.0%

Stand-alone section



44.0%

Corporate Governance section



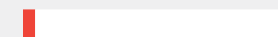
6.0%

Information about Directors section



5.0%

Compensation section

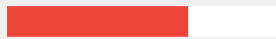




Executive Compensation

68.0%

CD&A includes summary/overview



4.74 pages

Average number of pages of Executive Summary/Overview

86.0%

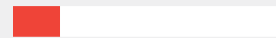
CEO pay ratio and pay versus performance disclosures are included in the Table of Contents (or a separate Executive Compensation Table of Contents)



Shareholder Proposals

17.6%

Shareholder proposals are designed differently from the standard and other management proposals (out of 85 documents that included shareholder proposals)



Other Sections

Voting and general information is presented in Q&A format at the back of the proxy (except in a proxy contest)

56.0%

Related Person Transactions location:



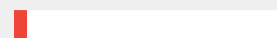
54.0%

Corporate Governance section



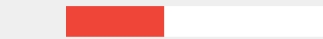
5.0%

Board Independence section



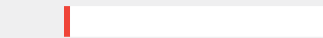
37.0%

Stand-alone section



3.0%

Stock Ownership section





Covers and Introductory Pages



Notice of 2024 Annual Shareholders' Meeting

Wednesday, June 5, 2024 | Virtual meeting at 10:30 a.m. Central Time
www.virtualshareholdermeeting.com/WMT2024



- 10 Front and Inside Front Covers
- 15 Back and Inside Back Covers
- 19 Notice
- 23 Table of Contents
- 26 Letters from Leadership
- 35 Company Overview and Performance Highlights
- 43 Proxy Summaries



Front and Inside Front Covers

An image, logo, or other visual on the cover of the proxy statement, in concert with company branding, can create instant brand recognition. A connection can also be made visually between the proxy statement and a company's other disclosure documents. The inside front cover of the proxy is prime real estate and is increasingly used by companies to portray important aspects of a company's value propositions.

What to Think About

The cover makes the first impression and sets the tone for the rest of the document, so it should reflect the brand identity and personality. Readers should know who the company is, what the document is about, and be engaged by the cover to learn more. Since the proxy statement is structured as an annual meeting communication tool, we recommend the cover include the time and date of the annual meeting. There is no unified theme in cover design among the benchmark group, but we recommend considering the following:

- Visual Identity Guidelines for photography and graphics (e.g., Is there guidance for corporate reporting imagery? Should you showcase people?)
- Copy Guidelines for language and tone (e.g., Does the company have set language for discussing sustainability?)

- Other reporting documents (e.g., Are there key elements to include for consistency?)
- Corporate strategy and associated business priorities (e.g., Is it most important to telegraph product innovation, corporate rigor, transparency?)
- The reader perspective and easy navigation (e.g., What information will they be looking for upon receiving this document?)

As the inside front cover is positioned between the visual cover page and content in the proxy statement, it is important to consider messaging that is both transitional and complementary—while also light on text. With investor focus on “purpose,” consider highlighting foundational components of the brand, such as the company's purpose, mission, and vision and values. Depending on strategic priorities, you might also consider highlighting the most exciting new developments, including markets, products, or services.

Labrador Transparency Award Criteria



- The cover includes the time and date of the annual meeting.

Looking Ahead

Companies continue to move to more stylized reporting documentation as part of a holistic reporting strategy that prioritizes both individual stakeholder needs and consistency across placements. As ESG disclosures become more rigorous and standardized, we expect acceleration of the following report cover and inside front cover trends:

- Visual brand storytelling through a combination of brand photography and graphics
- Increased showcase of environmental sustainability and human capital management themes
- Integration of corporate strategy and ESG priorities
- Increased emphasis on sustainable printing
- More navigation information, including information about what's included vs. available on the company site



[◀ Table of Contents](#) [Topic Table of Contents](#)

Benchmarking

20.0%

Cover includes the time and date of the annual meeting



19.0%

Mission, vision or purpose of the company is presented on the inside front cover



Other notable contents on the inside front cover:

22%

Letter from CEO/Chairman/Lead Independent Director

10%

Notice of Annual Meeting

9%

Company overview

9%

Business/financial highlights

8%

Table of Contents

5%

Strategy

3%

ESG information

2%

Quote from Chairman and CEO

1%

Awards & Recognition

1%

Shareholder engagement

1%

Stockholder information

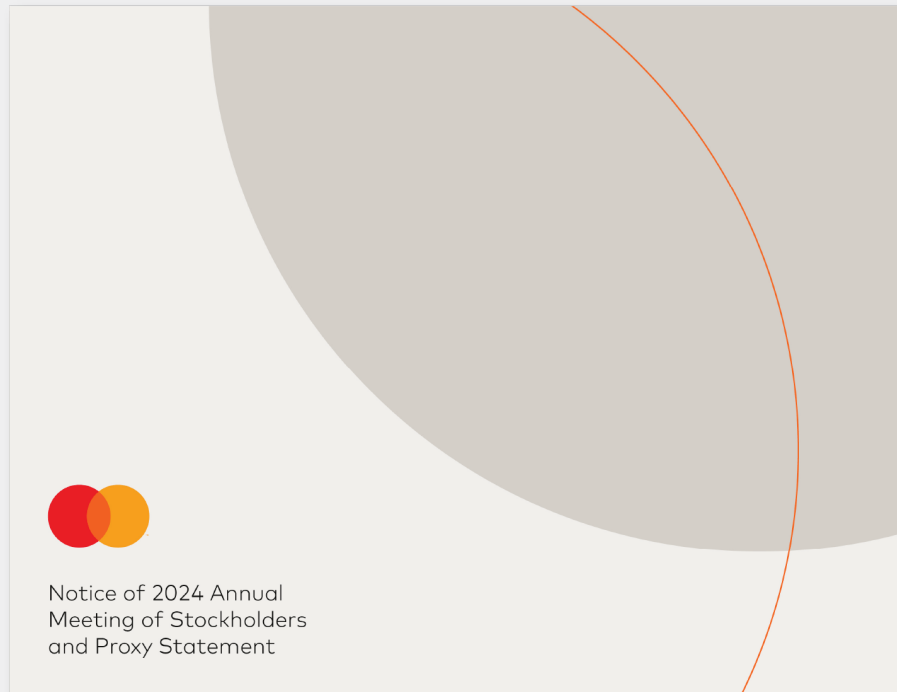


◀ [Table of Contents](#) [Topic Table of Contents](#)

Key Examples

Mastercard 2024 Proxy Statement

Clear, simple branding and TOC plus microsite for easy navigation



01	02	03	04	05
Proxy summary	Strategy	Corporate governance	Management Committee	Executive compensation
12 Proxy summary	19 Strategy	23 Corporate governance	57 Management Committee	60 Executive compensation
13 Our mission and purpose and the Mastercard Way		24 Proposal 1: Election of directors	58 Management Committee members	61 Proposal 2: Advisory approval of Mastercard's executive compensation
13 Our Board nominees		40 Board and committees		62 Compensation discussion and analysis
14 Our director nominees' experience, tenure, independence and diversity		47 Our corporate governance practices		86 Compensation Committee report
14 Director skills		48 Environmental, social and governance practices		87 Summary compensation table
15 Our engagement and transparency		49 Our engagement and transparency		88 All other compensation in 2023
15 Environmental, social and governance		50 Other corporate governance matters		89 Grants of plan-based awards in 2023
16 Our performance		52 Director independence and related person transactions		90 Outstanding equity awards at 2023 fiscal year end
17 Compensation		54 Director compensation		93 Option exercises and stock vested in 2023
				94 Nonqualified deferred compensation in 2023
				94 Potential payments upon termination or change in control
				102 Equity compensation plan information
				103 CEO pay ratio disclosure
				104 Pay versus performance disclosure



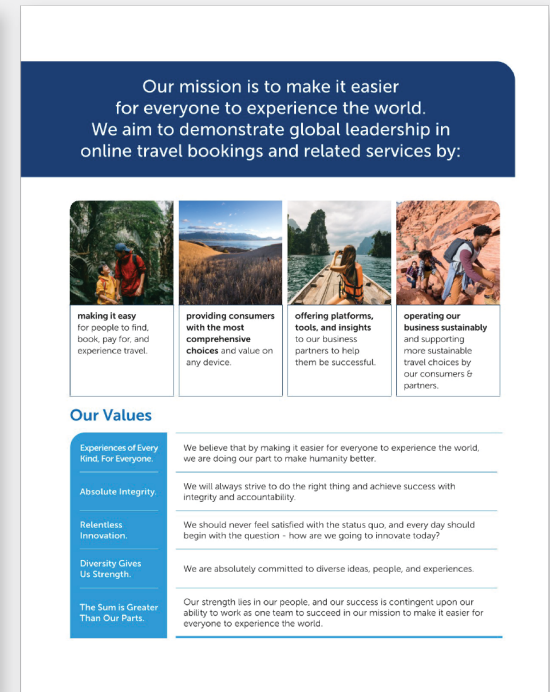
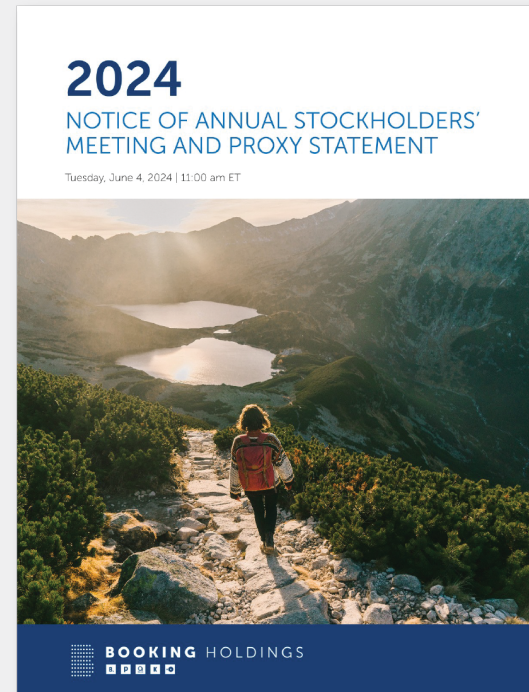
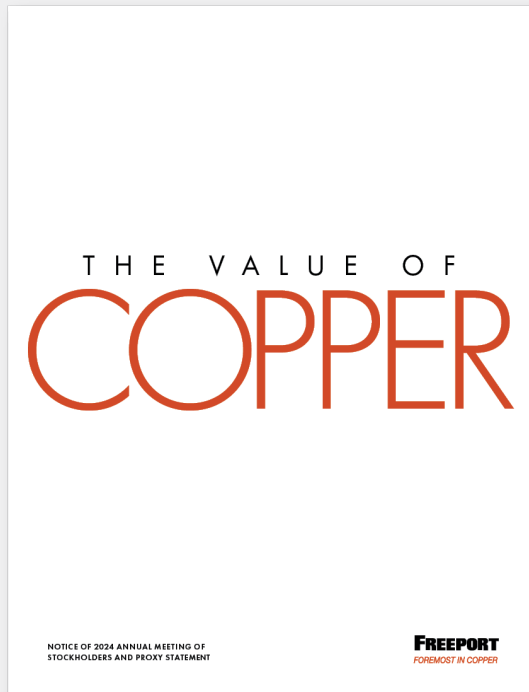
Key Examples

Freeport McMoRan 2024 Proxy Statement

Branding-forward front cover, IFC anchors ESG and values in corporate purpose

Booking Holdings 2024 Proxy Statement

Cover includes date and time of meeting, IFC presents mission, strategy and values; both integrate corporate-related photography





Key Examples

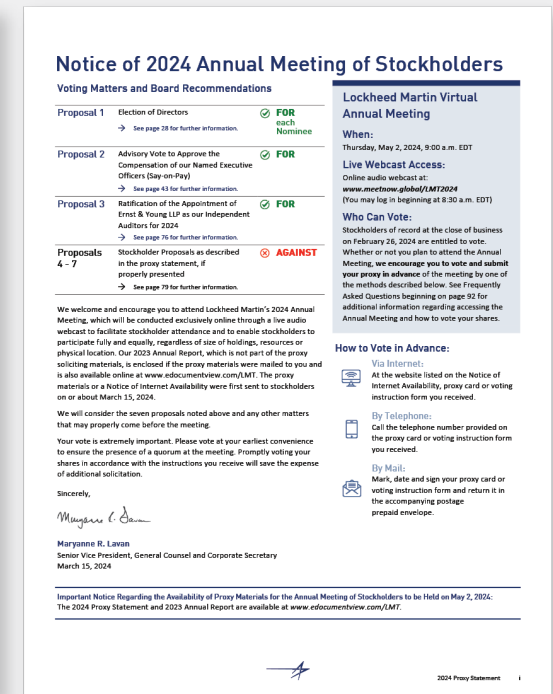
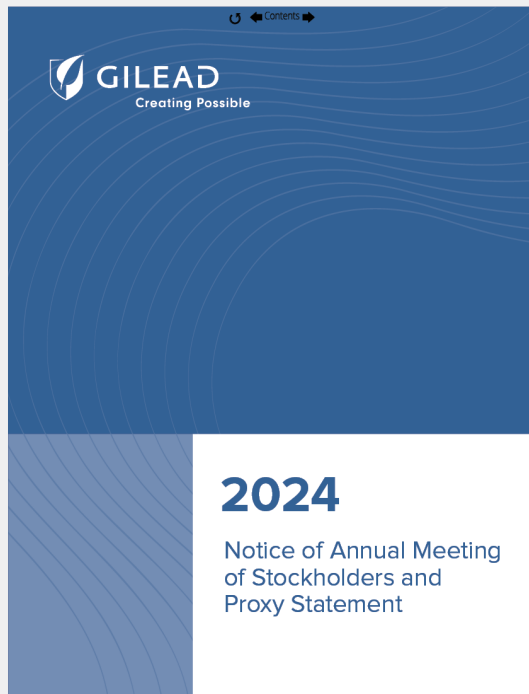
Gilead Sciences 2024 Proxy Statement

Company branded front cover, with Corporate Strategy and Strategic Priorities in addition to Mission, Vision and Values

Lockheed Martin 2024 Proxy Statement



Date and time of Annual Meeting on Front Cover, includes Notice of Meeting on IFC





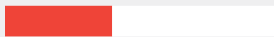
Back and Inside Back Covers

The back cover of the report is a key piece of real estate for visual and contextual branding and messaging . There’s an opportunity to highlight important company achievements, such as awards, or to provide the reader with additional reporting information and resources. Many companies also include the logo indicating use of recycled paper.

Benchmarking

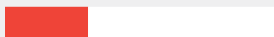
40.0%

The inside back cover includes substantive information



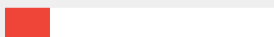
31.0%

The back cover includes substantive information



17.0%

The back cover includes images/photos



Notable contents on the inside back cover:
(out of 40 documents that include substantive information)

10%

Shareholder information/corporate information helpful resources, links, and contacts

6%

Information about the annual meeting, proxy statement availability

2%

ESG/Sustainability/CSR

9%

Awards & Recognitions

4%

Commonly used or defined terms

2%

Company overview

7%

Appendix

3%

Mission/vision/values/principles



Key Examples

CVS Health 2024 Proxy Statement

IBC includes awards and recognition as well as performance highlights; back cover includes purpose, strategy and values and notes eco printing

Lockheed Martin 2024 Proxy Statement



Sustainability awards and recognitions included on back cover

Healthy 2030

2023 Awards & Recognition

Civic 60 – 7th consecutive year on the list of America's Most Community-Minded Companies from the Points of Light Institute

Dow Jones Sustainability Index ("DJSI") 11th straight year on DJSI North America Index and 5th consecutive year on DJSI World Index

S&P Global Sustainability Yearbook 2023 Top 5% S&P Global ESG score

Named to FTSE4Good Index

Just Capital Industry Leader 128th out of 937 and 1st of 10 food and drug retailers

Human Rights Campaign's Corporate Equality Index 100% score

Select 2023 Performance Highlights

- Healthy People** **24.7%** Reduction in member out-of-pocket costs through prescription drug affordability programs
- Healthy Business** **95%*** of colleagues impacted by store closures retained to other positions
\$4B spent with Tier 1 diverse and small business suppliers
- Healthy Planet** **5%** reduction in GHG emissions over prior year
~500M receipts eliminated through digital and no receipt options
- Healthy Community** **Over 40K** birthing people and babies served through maternal health investments
22% increase in Project Health participants accessing health screening events in communities across the country

* As of January 2024.

Healthier happens together®

Our Purpose
Bringing our heart to every moment of your health™

Our Strategy
Our mission at CVS Health is to take on many of the country's most prevalent and pressing health care needs by understanding and acting on what consumers want and need — personalized, people-centered care that treats them like a human being, not a number.

Our Heart At Work Behaviors™

- Putting people first
- Rise to the challenge
- Join forces
- Create simplicity
- Inspire trust
- Champion safety and quality



CVS Health.



Sustainability Awards and Recognitions

Dow Jones Sustainability Indices
Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA
Dow Jones Sustainability Indices World Index and North American Index Ranking

ENERGY STAR 2023 Partner of the Year Sustained Excellence Award

ENERGY STAR 2023 Partner of the Year Sustained Excellence Award


Department of Labor 2023 HIRE Vets Platinum Medalion Award

JUST Capital: Included in the JUST 100 for fifth consecutive year

Platinum Hermes Award Winner in the Educational Category

- Disability Equality Index® (DEI®) 2023 Best Places to Work™
- Human Rights Campaign's 2023 Corporate Equality Index - Leader in LGBTQ+ Workplace Inclusion
- International Aerospace Environmental Group® Excellence Award
- LinkedIn 2023 Top company to Grow Your Career
- Military Friendly™ Employer Award Bronze
- Money US News' Best Companies Ratings
- National Organization on Disability's 2023 Leading Disability Employers
- National Safety Council Networks Innovation Award for Laser Safety
- U.S. EPA Green Power Partnership Fortune 500® Partner List
- U.S. EPA Green Power Partnership National Top 100
- U.S. EPA Green Power Partnership Top 30 for On-site Generation

Lockheed Martin Corporation
4801 Rockledge Drive
Bethesda, MD 20817
www.lockheedmartin.com



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Key Examples

Cognizant 2024 Proxy Statement

Helpful resources and contacts included on IBC

Pfizer 2024 Proxy Statement



Corporate and Shareholder info on IBC; company logo and tagline on back cover

Helpful resources

Links

Board of Directors

Cognizant Board	https://www.cognizant.com/us/en/about-cognizant/corporate-governance/board-of-directors
-----------------	---

Board Committee Charters

Audit Committee	https://www.cognizant.com/us/en/about-cognizant/documents/audit-committee-charter.pdf
Compensation and Human Capital Committee	https://www.cognizant.com/us/en/about-cognizant/documents/compensation-and-human-capital-committee-charter.pdf
Finance and Strategy Committee	https://www.cognizant.com/us/en/about-cognizant/documents/finance-and-strategy-committee-charter.pdf
Governance and Sustainability Committee	https://www.cognizant.com/us/en/about-cognizant/documents/governance-and-sustainability-committee-charter.pdf

Financial Reporting

2023 Annual Report	https://investor.cognizant.com/home/default.aspx#news-of-report
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Corporate Website

Corporate Website	https://www.cognizant.com/
Leadership Team	https://www.cognizant.com/us/en/about-cognizant/corporate-governance/leadership-team
Investor Relations	https://investor.cognizant.com
Diversity & Inclusion	https://www.cognizant.com/about-cognizant/diversity-and-inclusion
Public Policy	https://www.cognizant.com/about-cognizant/public-policy
Sustainability	https://www.cognizant.com/us/en/about-cognizant/reg/environmental-stewardship

Governance Documents

By-laws	https://www.cognizant.com/us/en/about-cognizant/documents/by-laws.pdf
Certificate of Incorporation	https://www.cognizant.com/us/en/about-cognizant/documents/certificate-of-incorporation.pdf
Code of Ethics	https://www.cognizant.com/us/en/about-cognizant/documents/code-of-ethics.pdf
Corporate Governance Guidelines	https://www.cognizant.com/us/en/about-cognizant/documents/corporate-governance-guidelines.pdf

Weblinks are provided for convenience only and the content on the referenced websites does not constitute a part of, and is not incorporated by reference into, this proxy statement.

Contacts

Company Contacts

Board or Chief Legal Officer and Corporate Secretary
corporategovernance@cognizant.com
 or mail or fax to our principal executive offices, attention to the applicable contact

Our Principal Executive Offices

Cognizant Technology Solutions
 300 Front W. Bury Blvd.
 Suite 26, 6th Floor
 Thornwood, New Jersey 07666
 Fax: +1 201 809 0243

To Request Copies of the Internet Notice or Proxy Materials

Brookridge Financial Solutions, Inc.
 (Tabularis)
 Brookridge
 Household Department
 51 Macawee Way
 Edgewood, New York 11717
 Phone: +1 609 540 7095

For Questions or Assistance Voting

Morrow StockL LLC
 (Proxy Solicitor for the company)
 Shareholders in the United States
 call toll free: +1 800 467 0588
 Banks and brokers and shareholders outside of the United States
 call collect: +1 203 488 9400

Cognizant 2024 Proxy Statement

Cognizant 2024 Proxy Statement 103

Corporate and Shareholder Information

STOCK LISTING

The principal market for our Common Stock is the New York Stock Exchange and our stock is also traded on various United States regional stock exchanges.

STOCK TRANSFER AGENT AND REGISTRAR

Computershare Investor Services
 P.O. Box 43006
 Providence, RI 02940-3006
 Telephone: 1-800-733-9393
 Outside the U.S., Canada and Puerto Rico: 1-781-575-4591
 Internet: www.computershare.com/investor

FORM 10-K

Upon written request, we will provide, without charge, a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Requests should be directed to:

Corporate Secretary
 Pfizer Inc.
 66 Hudson Boulevard East
 New York, NY 10001-2192

Our Form 10-K is also available on our website at www.pfizer.com.

SHAREHOLDER SERVICES AND PROGRAMS

Please contact our Stock Transfer Agent and Registrar, Computershare, with inquiries concerning shareholder accounts of record and stock transfer matters and for information on the following services and programs:

- Computershare Investment Plan
 - direct purchase of Pfizer stock
 - dividend reinvestment
 - automatic monthly or bi-monthly investments
- Book-entry share ownership
- Direct deposit of dividends

EXECUTIVE LEADERSHIP TEAM

Albert Bourla, DVM, Ph.D.	Chairman and Chief Executive Officer
Chris Bosherff, FRCP, FRCR, Ph.D.	Chief Oncology Officer, Executive Vice President
David M. Denton	Chief Financial Officer, Executive Vice President
Alexandre de Garmay	Chief International Commercial Officer, Executive Vice President
Mikael Dolsten, M.D., Ph.D.	Chief Scientific Officer, President, Floor Research & Development
Lidia Fonseca	Chief Digital and Technology Officer, Executive Vice President
Rady A. Johnson	Chief Compliance, Quality and Risk Officer, Executive Vice President
Douglas M. Lankler	General Counsel, Executive Vice President
Aamir Malik	Chief U.S. Commercial Officer, Executive Vice President
Michael McDermott	Chief Global Supply Officer, Executive Vice President
Payal Sahni	Chief People Experience Officer, Executive Vice President
Sally Susman	Chief Corporate Affairs Officer, Executive Vice President

Pfizer Breakthroughs that change patients' lives

Pfizer Inc.
 66 Hudson Boulevard East
 New York, NY 10001-2192
 (212) 733-2323

www.pfizer.com
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◀ Table of Contents Topic Table of Contents

Key Examples

Intel 2024 Proxy Statement

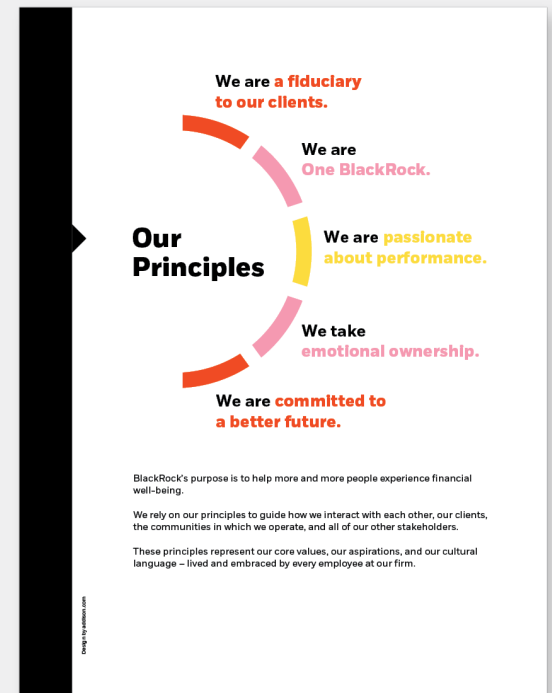
Helpful resources, including acronyms used on IBC; use of corporate imagery on back cover

Accenture 2023 Proxy Statement

Awards & Recognition included on back cover

BlackRock 2024 Proxy Statement

Brand purpose & principles included on IBC





Notice

Despite the evolution of the proxy statement into a more engaging, reader-friendly document, the content of the Notice still remains almost entirely rules-driven. That said, the design of the Notice can steer readers' eyes to key information.

What to Think About

The Notice is one of the first pages readers flip to for meeting information, list of proposals to be voted on, record date, and—for many companies—the voting instructions.

We recommend a one-page, crisply designed Notice that presents all key information in a clear manner:

- **Meeting information:** Put meeting logistics, voting instructions, and proposal information front and center—with attention to font, color and use of recognizable icons
 - Consider including the board recommendation and page number for each proposal
 - QR codes are emerging as another voting method
- **Significant meeting developments:** Highlight any new format or instructions relating to the meeting, such as a virtual meeting or contested election

- **"About the Meeting" section:** Common to present the more detailed voting and general information related to the meeting (including how shareholders can submit questions at the meeting) in Q&A format at the back of the document.

Labrador Transparency Award Criteria

- The notice of annual meeting is formatted to highlight items to be voted on, voting methods and meeting logistics.
- Voting and general information is presented in Q&A format at the back of the proxy (except in a proxy contest).
- The company explains how shareholders can submit questions for the annual meeting.

Looking Ahead

Considerations for Virtual Meetings

While some companies have transitioned back to in-person meetings, many are staying virtual, with a subset having hybrid meetings. Companies are citing a number of rationales for keeping their meetings virtual, including greater shareholder access and participation, cost savings, efficiency gains, and reducing the carbon footprint.

Often companies include the rationale for holding a virtual meeting near the beginning of the document, with some devoting an entire page to the topic to demonstrate the increased access and participation opportunities.

Some stakeholders argue that virtual-only meetings may hinder investor participation and direct engagement with the board and management.

Accordingly, we recommend that companies clearly disclose instructions for shareholder participation in virtual meeting and continue to monitor any new developments (e.g., the Canadian Securities Administrators recently recommended that issuers consider holding hybrid meetings).



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Benchmarking

68.0%

Notice of annual meeting is formatted to highlight items to be voted on, voting methods and meeting logistics

78.0%

Items to be voted on are in a table or other non-paragraph format

50.0%

Voting methods include icons (in person, phone, mail)

78.0%

Meeting Logistics are called out using an address format

16.0%

QR code provided to access voting options and information about the annual meeting

Key Examples

Aflac 2024 Proxy Statement

1 page; detailed with voting recommendations; QR code; 2 color



Electronic Arts 2024 Proxy Statement

1 page; detailed with voting recommendations; discusses benefits of virtual meeting; 1 color

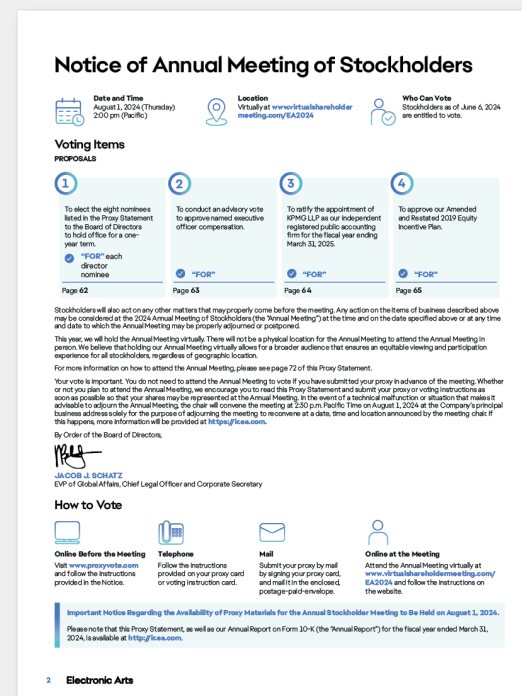




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Key Examples

Air Products 2024 Proxy Statement

1 page; detailed with voting recommendations; QR code; cross-reference to attending/participating in meeting with the virtual meeting icon and link; 4-color

Ormat Technologies 2024 Proxy Statement

3 pages; detailed & visual, with picture of power plant at end (also includes detail for voting on Tel Aviv stock exchange)

Levi Strauss & Co. 2024 Proxy Statement

1 page; visually pleasing; QR code; dedicated section on attending virtually; 4-color

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Notice of Annual Meeting of Shareholders

Logistics

Items of Business

Proposal	Board Vote Recommendation	Votes Required	Page
Proposition 1: Elect the nine nominees proposed by the Board of Directors as directors for a one-year term ending in 2025.	FOR	Majority of Votes Cast	9
Proposition 2: Conduct an advisory vote on executive officer compensation.	FOR	Majority of Votes Cast	28
Proposition 3: Ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2024.	FOR	Majority of Votes Cast	61

How to Vote

Shareholders of record (shares registered in your name with the Company's transfer agent) and Retirement Savings Plan Participants:

Scan the QR Code to 1-800-640-0823

Complete, sign and mail your proxy card or voting instruction form to the self-addressed envelope provided.

For instructions on voting during the Annual Meeting, please see page 16.

Street Name Holders (shares held through a broker, bank or other nominee) refer to the voting instruction form provided by your broker, bank or other nominee.

Important

Whether you plan to attend the meeting or not, please submit your proxy as soon as possible in order to avoid additional soliciting expense to the Company. This proxy is revocable and will not affect your right to vote if you attend the meeting.

By order of the Board of Directors,

Sean D. Major
Executive Vice President, General Counsel and Secretary
December 6, 2023

Back to Contents

NOTICE OF 2024 ANNUAL MEETING OF STOCKHOLDERS

The Board of Directors (the "Board" of Ormat Technologies, Inc. ("Ormat" or the "Company") is making this Proxy Statement available to you in connection with the solicitation of proxies on its behalf for the 2024 Annual Meeting of Shareholders (the "Annual Meeting" or the "2024 Annual Meeting"). The Annual Meeting will be held on May 8, 2024 at 3:00 p.m., Eastern Daylight Time. The Annual Meeting will be a completely virtual meeting, which will be conducted via the audio webcast.

This summary highlights information about the Company and certain information contained elsewhere in this Proxy Statement. You should read the entire Proxy Statement carefully before voting.

DATE
Wednesday, May 8, 2024

TIME
3:00 P.M., Eastern Daylight Time

LOCATION
Virtual at <https://evs.ck1.com/evs1330823>

RECORD DATE
March 14, 2024

VOTING MATTERS AND BOARD RECOMMENDATIONS

Proposal	Board Vote Recommendation	Page
Proposition 1: Election to our Board of Directors of the nine director nominees.	FOR	15
Proposition 2: Advisory vote on the compensation for our named executive officers.	FOR	32
Proposition 3: Ratification of the appointment of Deloitte & Touche, a member firm of PricewaterhouseCoopers International Limited, as our independent registered public accounting firm.	FOR	59
Proposition 4: Approval of an amendment to the Company's Certificate of Incorporation.	FOR	61
Proposition 5: Approval of an amendment and replacement of the Company's 2018 Incentive Compensation Plan.	FOR	83

Shareholders will also transact any other business that may properly come before the Annual Meeting and any adjournments or postponements thereof.

These items of business are more fully described in the Proxy Statement accompanying this Notice of Annual Meeting.

WHO CAN VOTE: The record date for the Annual Meeting is March 14, 2024. Only stockholders of record at the close of business on that date may vote at the Annual Meeting or any adjournment thereof.

VOTING: Whether or not you plan to attend the Annual Meeting, we strongly urge you to cast your vote promptly. You may vote over the internet, as well as by telephone or by mail, at whatever venue at the Annual Meeting. Please review the instructions on the proxy card (or, if you hold your shares in "street name" through a broker, bank or other nominee, voting instruction form) regarding each of these voting options.

ORMAT TECHNOLOGIES, INC. | 2024 PROXY STATEMENT | 41

NOTICE OF 2024 ANNUAL MEETING OF SHAREHOLDERS

PROPOSALS	BOARD VOTE RECOMMENDATION	FOR FURTHER DETAILS
1. Election of Class II Directors	"FOR" each director nominee	Page 11
2. Advisory Vote on Executive Compensation	"FOR"	Page 34
3. Ratification of Selection of Independent Registered Public Accounting Firm	"FOR"	Page 70
4. Corporate Financial Sustainability Report	"AGAINST"	Page 72

Shareholders will also transact any other business properly brought before the annual meeting or any adjournment or postponement thereof. A list of shareholders of record will be available for inspection by shareholders of record during normal business hours for 10 days prior to the annual meeting for only legally valid purposes of record or, if possible, to transact your vote's conduct. This may include, through the internet or by visiting the proxy card that you request as proxy or, if possible, to transact your vote's conduct. This may include, through the telephone, through the internet or by visiting the proxy card that you request as proxy or, if possible, to transact your vote's conduct. Even if you have already voted, you may wish to vote at the annual meeting, you may obtain a proxy based on your name from that record holder. See the Proxy Availability Notice for more information by Order of the Board of Directors.

ATTENDANCE AT THE MEETING

A live webcast of the annual meeting will be available at www.virtuallshareholdersmeeting.com/EV2024. To access the webcast, go to this website one before the live broadcast provided. The webcast will be recorded and available for replay on this website through May 24, 2024. Electronic entry to the meeting will begin at 10:00 a.m., Pacific Time.

To attend and vote during the annual meeting, visit www.virtuallshareholdersmeeting.com/EV2024 and enter the six-digit control number included in your Proxy Availability Notice, voting instruction form or proxy card.

If you encounter difficulties accessing the virtual meeting, please call the technical support number that will be posted at www.virtuallshareholdersmeeting.com/EV2024.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on April 24, 2024

The notice of annual meeting, proxy statement and annual report to shareholders are available free of charge at www.proxysvc.com.

DATE AND TIME
April 24, 2024 (Wednesday)
10:00 a.m. (Pacific Time)

LOCATION
www.virtuallshareholdersmeeting.com/EV2024

WHO CAN VOTE
Shareholders as of February 27, 2024 are entitled to vote.

HOW TO VOTE

INTERNET

- Visit www.proxysvc.com to vote online. You will need the voter control number from your proxy card or the Proxy Availability Notice.
- Your vote must be received by 8:59 p.m., Pacific Time, on April 23, 2024.

TELEPHONE

- Call 1-800-490-4923 and follow the recorded instructions (you will need the voter control number from your proxy card).
- Your vote must be received by 8:59 p.m., Pacific Time, on April 23, 2024.

MAIL

- Complete, sign, date and return the proxy card that may be delivered.
- Your proxy card must be postmarked by April 9, 2024.

AT THE VIRTUAL MEETING

See "Attendance at the Meeting"

QR CODE

Scan the QR code to vote with your mobile device.

4 LEVI STRAUSS & CO.



Key Examples

Carrier 2024 Proxy Statement



1 page; calls out ability to submit questions in advance and during meeting

Allstate 2024 Proxy Statement

1 page; followed by 1 page dedicated to rationale for continuing to hold virtual meetings including statistics on attendance and questions

March 5, 2024

NOTICE OF 2024 ANNUAL MEETING OF SHAREOWNERS

Meeting Information: DATE AND TIME: April 16, 2024, 2:30 a.m. Eastern time; LOCATION: Virtual Meeting, www.virtualshareholdermeeting.com/CARR2024

Agenda:

- 1 Election of the Ten Director Nominees Named in the Proxy Statement (FOR each Director Nominee) - Page 11
- 2 Advisory Vote to Approve Named Executive Officer Compensation (FOR) - Page 32
- 3 Ratification of Appointment of PricewaterhouseCoopers LLP to Serve as Independent Auditor for 2024 (FOR) - Page 43
- 4 Vote on the Shareowner Proposal set forth in the Proxy Statement, if properly presented (AGAINST) - Page 45

Four voting methods are available to you: BY THE INTERNET, BY MAIL, BY TELEPHONE, ONLINE DURING THE MEETING.

WHO MAY VOTE: You are entitled to receive this notice and to vote at the Annual Meeting if you owned shares of Carrier common stock at the close of business on February 27, 2024.

VIRTUAL MEETING FORMAT: The 2024 Annual Meeting of Shareowners will be conducted in a virtual format to facilitate attendance and to provide a consistent experience to all shareowners.

By Order of the Board of Directors: Francine Campbell, Vice President, Corporate Secretary

2024 Proxy Statement 1

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Notice of 2024 Annual Meeting of Shareholders

Items of Business:

- 01 Election of 13 directors (FOR each nominee, See pages 28-65)
- 02 Say-on-pay: advisory vote on the compensation of the named executives (FOR, See pages 66-106)
- 03 Ratification of appointment of Deloitte & Touche LLP as Allstate's independent registered public accountant for 2024 (FOR, See pages 107-110)
- 04 Shareholder Proposal to have an Independent Board Chairman (AGAINST, See pages 111-112)

Date and Time: May 14, 2024, at 11:00 a.m. Central time. Admission to the webcast begins at 10:30 a.m.

Virtual (Online Only): www.virtualshareholdermeeting.com/ALL2024

Record Date: Holders of Allstate common stock at the close of business on March 15, 2024.

Participation: Shareholders who wish to participate in the meeting should review page 11.

Date of Mailing: On or about April 1, 2024, these proxy materials and annual report are being mailed or made available to shareholders and to participants in the Allstate 401(k) Savings Plan.

How to Vote in Advance: Your vote is important. Please vote as soon as possible by one of the methods shown below.

By Telephone: In the U.S. or Canada, you can vote your shares toll-free by calling 1-800-690-6903.

By Mail: You can vote by mail by marking, dating and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.

By Internet: You can vote your shares online at proxyvote.com.

By Tablet or Smartphone: You can vote your shares with your tablet or smartphone by scanning the QR code.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 14, 2024: The Notice of 2024 Annual Meeting, Proxy Statement and 2023 Annual Report and the means to vote by Internet are available at proxyvote.com.

19 The Allstate Corporation | AllstateProxy.com

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Participating in Our Annual Meeting

The 2024 annual meeting will be held in a virtual meeting format since it provides greater access and participation opportunities for shareholders.

Virtual Meetings Increase Participation: You may vote during the annual meeting by following the instructions available on the meeting website during the meeting.

How can I ask a question at the meeting? This year's shareholders' question and answer session will include questions submitted in advance of the meeting beginning at 8:30 a.m. Central time on May 9, 2024, and until 11:50 p.m. Central time on May 13, 2024.

Who do I contact about technical difficulties? If you encounter difficulties accessing the meeting during the meeting time, please call the technical support number at (844) 995-8822.

Will a replay of the meeting be available? Following completion of the meeting, a webcast replay will be posted online to our Investor Relations website at www.allstateinvestors.com for one year.

19 The Allstate Corporation | AllstateProxy.com



Table of Contents

Different stakeholder groups will have varying interests in each proxy section. With requests for additional content each year and the page counts of proxy statements increasing, the need for a useful Table of Contents (TOC) is greater than ever.

What to Think About

To allow readers to quickly find the information they are looking for, the TOC should be straightforward and navigable.

A user-friendly TOC fits on one page and has:

- Section heading titles that allow a reader to instinctually know where to find certain content
- Title hierarchy that allows the eyes to quickly scan without having to read each line
 - When a proxy is organized well, a TOC need not list headers that extend beyond two levels of title (within the section).
- Hyperlinks that take online readers directly to their desired sections

Choosing levels of title: Considerations in deciding how many levels of title to include within each proxy section:

- **One level of title** (such as Corporate Governance–Role of the Board)
 - Results in a less cluttered table of contents, particularly if kept to one page
 - May supplement with a callout box for frequently requested information or new proxy disclosures
- **Two levels of title** (such as Corporate Governance–Role of the Board–Oversight of ESG):
 - Allows reader to see most content topics
 - Hierarchy and groupings can convey how company views governance and compensation matters

“Frequently requested” or new information: Best practice for highlighting key information:

- Lists the most frequently visited sections of the proxy statement or a “what’s new” box to explain new disclosures or developments
- Especially useful for TOCs with one level of title to highlight items not otherwise included

CD&A “mini-TOC”: Due to the importance and density of CD&A, consider the following options:

- A supplemental “mini TOC” at the start of CD&A.
- Including an additional level of title under CD&A in the main TOC.

Labrador Transparency Award Criteria

- The table of contents is one-page and includes two levels of hierarchy.
- The core proposals (election of directors, say-on-pay and ratification of auditors) precede relevant disclosures.



Table of Contents Topic Table of Contents

Benchmarking

53.0%

TOC is one-page and includes two levels of hierarchy

10.0%

TOC includes a section on frequently visited or significant sections

1.0%

Within the TOC, either a "what's new" box explains changes to the proxy, or "new" icons indicate new sections/disclosure

Key Examples

Regeneron 2024 Proxy Statement

2 pages, 2 column with two levels of title under each section; color (different for shareholder proposal); very detailed and long headings; key info callout box

The screenshot shows a two-column table of contents for the Regeneron 2024 Proxy Statement. The left column lists sections such as 'Users' Guide', 'Proxy Dashboard', and 'Board of Directors'. The right column lists sections like 'Corporate Responsibility', 'Public Policy Engagement', and 'Stock Ownership Guidelines'. A 'PROPOSAL NO. 2' callout box highlights the 'Ratification of Appointment of Independent Registered Public Accounting Firm' section.

Johnson & Johnson 2024 Proxy Statement



1 page, single column with index of frequently requested information (in alphabetical order)

The screenshot shows a single-column table of contents for the Johnson & Johnson 2024 Proxy Statement. It includes sections like 'A message from our Lead Director', 'Living into Our Creed', and 'Board of Directors and corporate governance'. A red box on the right side of the page is titled 'Index of frequently requested information (alphabetical)' and lists various topics such as 'Annual Meeting attendance', 'Anti-pilaging, hedging policy', and 'Director qualifications'.



Key Examples

Air Products 2024 Proxy Statement

1 page, dual-column with one level of title, except CD&A which has two levels of title; hyperlinked' 4-color

Levi Strauss & Co. 2024 Proxy Statement

1 page, dual-column, with one level of title under each main section; 3- color

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We have provided you this Notice of Annual Meeting and proxy statement because the Board of Directors (the "Board") of Air Products and Chemicals, Inc. (the "Company" or "Air Products") is soliciting your proxy to vote at the Company's 2024 Annual Meeting of Shareholders to be held on January 25, 2024 (the "Annual Meeting"). This proxy statement contains information about the items to be voted on at the Annual Meeting and information about the Company. Instructions on how to access this proxy statement and our 2023 Annual Report to Shareholders (the "Annual Report") on the Internet or paper copies of this proxy statement and the Annual Report are first being sent to shareholders on or about December 8, 2023.	

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Letters from Leadership

As proxy statements evolved into a critical stakeholder communications tool, it has become common practice to include an introductory letter from the board of directors and/or executive leadership. Similar to the CEO letter that typically accompanies an annual report, proxy letters provide an opportunity to discuss company performance. But where the annual report correspondence tends to delve deep on financial performance, letters in proxy statements—particularly those from independent board members—focus on performance *accountability*, explaining how the company’s governance and risk frameworks, as adopted and overseen by the board, support the company’s strategy and creation of long-term value for shareholders and other stakeholders.

What to Think About

Proxy letters, which usually come from board leadership (or, in some cases, the full board of directors), are an opportunity to demonstrate that the priorities of the company’s board are aligned with stakeholder interests. Where the required disclosures in the proxy focus on board policies and practices, letters can summarize what the board actually *did*.

Investors have shared, albeit informally, that they read communications from the board. While face-to-face dialogue may be the ideal form of dialogue with directors, a letter in the board’s “voice” can also demonstrate engagement on critical issues. A carefully drafted letter provides a personal perspective on the company’s initiatives to create shareholder value.

- **Number of letters and author(s):**

Companies typically have one or two letters, with a variety of options on the authors of those letters:

- **Single letter/single author:** In companies with a combined Chair & CEO, it is most common to have a single letter from that individual.

Sometimes you will see a letter only from an independent chair or lead independent director, particularly where there has been a recent CEO transition or other significant issue where it is important to hear from independent Board leadership

- **Single letter/multiple authors:** Having multiple authors, such as a joint letter from the Chair & CEO and the lead

independent director, or the full board, shows a unified voice and allows a single letter to cover both company performance and governance/compensation matters.

- **Multiple letters:** It is becoming increasingly common to see two letters, one from the CEO and one from the lead independent director, independent chair, or all independent directors.

This structure allows for a deeper dive on relevant topics, and can better demonstrate that the board owns its responsibility for overseeing the company’s business and strategy and setting the appropriate tone at the top, is committed to governance best

practices, and considers feedback from shareholders and other stakeholders in its decision-making.

- **Key messages:** One of the most important purposes of the letter is to demonstrate Board engagement and effectiveness. Specific topics to address include:

- **Board composition:** Investors seek assurances that the board is continually evaluating its composition for effectiveness, including consideration of diversity and skill sets to reflect the company’s strategic needs

- **Board oversight:** Letters should address the board’s primary oversight areas, including strategy, risk,

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sustainability, and executive compensation. Many leading companies also demonstrate an awareness of the global, social, and geopolitical environment, and the related impacts on performance

- **Long-term value creation:** Board leadership should underscore its commitment to long-term value creation for shareholders.

In addition, with heightened investor interest around “stakeholder capitalism,” the letter should posit that a company’s commitment to sustainability-related priorities helps support long-term value creation.

- **Other topics:** Companies should also include a discussion of other relevant topics, including:
 - Management or board leadership succession
 - Shareholder engagement and responsiveness, particularly on executive compensation following a low SOP vote
 - Significant governance developments

- **Design elements:** Successful letters leverage design to convey key messages:

- **Headings:** Detailed headings allow the reader to glean the content of the letter at a quick glance

- **Callout boxes and other infographics:** Highly-visual design elements in the body or margins of the letter help highlight important themes from the letter, information about the company or developments over the last year.

- **Overall tone:** Effective letters are balanced in tone, articulating what is going well and celebrating achievements, but also realistic about challenges the company faces. Readers should come away with a sense that the board is being transparent, is holding itself accountable, is listening to stakeholder feedback, and remains focused on delivering shareholder value.

Labrador Transparency Award Criteria



- The document includes an introductory letter providing an overview of the Board’s priorities/focus areas from either independent Board leadership or the full Board.

Looking Ahead

With the movement toward integrated reporting, we expect that two letters delivered annually will become the norm: an annual report style CEO letter providing performance highlights and a director letter summarizing board activities.

In light of the universal proxy card rules, the letter from leadership in the proxy statement will become even more important as boards convey their robust nomination and refreshment program, the governance practices that make them effective, and the diversity and other characteristics of their nominated slate.



Benchmarking Introductory Letter

64.0%

The document includes an introductory letter



Photo

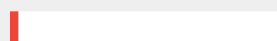
47.0%

There is a photo of the author of the letter



4.0%

There is a photo of the full board with the letter



Content/Topics Discussed in the Letter(s)

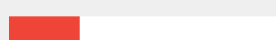
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Strategy



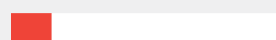
27.0%

ESG information



16.0%

Business highlights



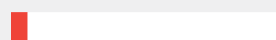
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Shareholder engagement



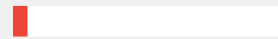
7.0%

Human capital management



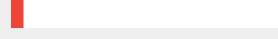
6.0%

Leadership changes/ succession



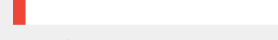
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Board highlights



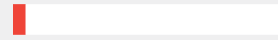
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Mission, vision, values, purpose



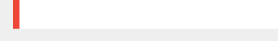
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Risk oversight, other board oversight



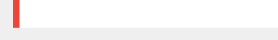
3.0%

Innovation



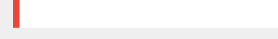
3.0%

Retiring directors



3.0%

Compensation highlights

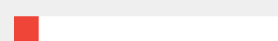


Author

Some companies include two leadership letters.

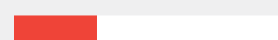
10.0%

Includes a letter from CEO only



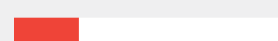
31.0%

Includes a letter from CEO and Chairman (same person)



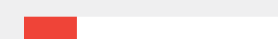
25.0%

Includes a letter from the Lead Independent Director



20.0%

Includes a letter from CEO/Chairman and Lead Independent Director



7.0%

Includes a letter from the entire Board of Directors (or all independent directors)





Key Examples

Aflac 2024 Proxy Statement

Separate letters (Chair/CEO & LID); good division of topics between letters; quote & pictures

2 AFLAC INCORPORATED

LETTER FROM THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT

March 21, 2024

Dear Fellow Shareholders:

I am pleased with our sales growth in both Japan and the U.S. in early 2023. Aflac Japan completed the rollout of our new cancer product, and we rolled out our new medical product in mid-September that appeals to younger policyholders and provides an opportunity to older policyholders to update their coverage. In the U.S., we enhanced our cancer policy, delivering even greater value to our policyholders. At the same time, we continue to concentrate on scaling up our network dental and vision and our group life and disability businesses in the U.S. in an additional effort to grow our core supplemental health business.

We have also improved persistency in the United States while maintaining strong persistency in Japan well above 90%. We will continue to pursue profitable growth in both the U.S. and Japan with an eye toward improving and maintaining strong persistency.

Strategic Capital Deployment

We place significant importance on continuing to achieve strong capital ratios in the U.S. and Japan on behalf of our policyholders and shareholders. In addition, we have taken proactive steps in recent years to defend cash flow and deployable capital against a weakening yen. We pursue value creation through a balance of actions including growth investments, stable dividend growth and disciplined, tactical stock repurchase.

2023 marked the 41st consecutive year of dividend increases. We treasure our track record of dividend growth and remain committed to extending it, supported by the strength of our capital and cash flows. Last quarter, the Board put us on a path to continue this record when it increased the first quarter 2024 dividend 5% to \$0.50. Additionally, we have remained tactical in our approach to repurchasing shares throughout 2023, which led to the historically high \$700 million per quarter. As a result, we deployed \$2.8 billion in capital to repurchase nearly 39 million of our shares in 2023. Combined with \$3.3 billion back to shareholders in 2022, while also investing in the growth of our business. At the same time, we have maintained our position among companies with the highest return on capital and lowest cost of capital in the industry.

I like to think that it is efforts like the above that lead to recognition such as appearing on Fortune's List of World's Most Admired Companies for the 23rd time, ranking No. 1 in the Insurance, Life and Health industry as a long-term investment for the second consecutive year. Overall, I think we can say that 2023 was another strong year.

We believe in the underlying strengths of our business and our potential for continued growth in Japan and the U.S. — two of the world's largest insurance markets in the world. We are well-positioned as we work toward achieving long-term growth while also ensuring we deliver on our promise to policyholders.

* Adjusted earnings per diluted share and adjusted earnings per diluted share excluding foreign currency impact are not calculated in accordance with generally accepted accounting principles in the United States (GAAP). See Appendix A to the Proxy Statement for the definition of these non-GAAP measures and reconciliations to the most comparable GAAP financial measure.

3 LETTER FROM THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT

2024 PROXY STATEMENT



Doing the Right Thing: The Aflac Way

Doing the right thing is engrained in The Aflac Way, which has been the cornerstone of how we do business in the U.S. and Japan. Operating this way, we are privileged to help provide financial protection to our policyholders during their cancer treatment. We believe in cultivating and welcoming diversity in our operations, workforce, management team, and Board. We have found that this approach makes good business sense by enabling us to serve our customers better. Plus, we believe people want to do business with a company doing the right thing. As the pioneer of supplemental cancer insurance in both the U.S. and Japan, it has perhaps been most visible in our dedication to children facing cancer and other serious diseases. 2023 marked the 28th year of our partnership with the Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta, which has become nationally renowned as one of the leading childhood cancer centers. It is my pleasure to invite you to virtually attend the 2024 Annual Meeting of Shareholders on Monday, May 6, 2024, where you can learn more about Aflac Incorporated's recent business performance and strategy for the future. I encourage you to review the proxy materials and Annual Report on Form 10-K, as well as Aflac Incorporated's most recent Business and Sustainability Report. Then, please vote your shares, even if you plan to attend the virtual Annual Meeting. We want to be sure your shares and your viewpoints are represented.

Sincerely,



Daniel P. Amos
CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT

"We are well-positioned as we work toward achieving long-term growth while also ensuring we deliver on our promise to policyholders."

4 AFLAC INCORPORATED

LETTER FROM THE LEAD NON-MANAGEMENT DIRECTOR

March 21, 2024

Dear Fellow Shareholders:

It is an honor to serve you as Lead Non-Management Director, alongside such an eminent team of Directors. These fellow Board members bring their skills, expertise and experience from such a broad range of fields, industries and companies. In 2023, we maintained our focus on overseeing the risk and strategy of the Company. In this letter, I want to highlight some of the key topics of oversight in 2023.

Risk Oversight

Our Board provided oversight of the pertinent risks both for the industry and to the Company, while carefully monitoring traditional risks associated with investments and our products and maintaining strong capital ratios. The Board has overseen significant enhancements in information security and enhanced information security policy. The goal is to ensure that the Company's information assets, data, and the data of our customers, are protected.

Board Succession, Refreshment and Onboarding

Our Board retains its balance of tenured members as well as a refreshment with newer members. Independent Board members average about six years of service that provide a balance of expertise for you, the shareholders. Our Board is diverse not only with women and/or people of color comprising approximately 60% of its membership, but also in terms of experience and expertise in a wide range of disciplines, including public health, cybersecurity, investment and finance, insurance operations, the Japanese market, regulatory and risk management, and marketing and public relations. By combining a diversified membership with such broad expertise and multi-disciplinary skills, we have established an adaptable, insightful and cohesive board that is equipped to pivot quickly to navigate ever-evolving markets.

I also want to thank Dr. Barbara Rimer for her many years of service on the Board. In anticipation of this event, the Board was fortunate to have maintained public health expertise on the Board with the addition of Dr. Mawako Hosoda in 2023. Dr. Hosoda brings nearly 30 years of experience in the field of public health in Japan, our largest market.

Corporate Finance and Investments

In 2023, our investment portfolio continued to benefit from our disciplined strategic asset allocation process. This approach serves as the core to managing long-term asset performance expectations to meet our objectives for capital, risk and liquidity. We also placed equity investments in specialized asset classes as well as Sustainability investments. The Aflac Global Investments team has built a high-quality portfolio that we believe will serve our stakeholders well into the future.

Strategic Corporate Development

As we pursue new ways to meet the needs of consumers, businesses and shareholders, we will continue to invest in our network dental and vision and group life, disability, and absence management platforms.

These new business lines modestly impact the top line in 2023. We will continue to leverage these new platforms to enable our core products for future long-term growth.

Commitment To Sustainability

Aflac Incorporated has been carbon neutral in Scope 1 and Scope 2 emissions since 2020 and focused on being and achieving net zero emissions by 2050. We will continue to evaluate and evolve our approach to achieving our objectives.

We have posted our Sustainability Policies and Statements at investors.aflac.com/under/Sustainability for several years, and we updated them in 2023 with Occupational Health and Safety in the Workplace and Responsible Investment Stewardship and Engagement policies. Such transparency and efforts to improve our sustainability have received external recognition, too. In 2023, Aflac Incorporated was included on the Dow Jones Sustainability North America Index for the 10th time and on Bloomberg's Gender Equality Index for the fourth consecutive year. Most recently, Ethisphere recognized Aflac Incorporated as one of the World's Most Ethical Companies for the 10th consecutive year, remaining the only insurance company in the world to receive this honor every year since this award was first introduced in 2007.

5 LETTER FROM THE LEAD NON-MANAGEMENT DIRECTOR

2024 PROXY STATEMENT



"As we shape the Aflac of the future, we do so knowing the Company's success and financial performance are rooted in our commitment to our purpose."

In addition, we have also worked to be a reflection of the communities that we serve by being an inclusive workplace and cherishing the value that diversity can bring. To reinforce our commitment to sustainability, officers have had a short-term incentive compensation modifier that continues to engage with our investors, seeks insight into their perspectives, and explore the viewpoints and positions of those who invest in our business.

The Board looks forward to continuing the ongoing dialogue with investors and applying that feedback to help inform business matters as they emerge. We thank you for your support and the privilege of representing you in Aflac Incorporated.

Sincerely,



W. Paul Bowers
LEAD NON-MANAGEMENT DIRECTOR

With these vital topics in mind, I encourage you to review the accompanying Proxy Statement and associated materials and vote before our virtual Annual Meeting on May 6, 2024. It is my pleasure, and my privilege, to serve on Aflac Incorporated's Board, and I look forward, as a fellow shareholder, to witness how the Company works every day to uphold its promises.

In 2023, we have worked to be a reflection of the communities that we serve by being an inclusive workplace and cherishing the value that diversity can bring. To reinforce our commitment to sustainability, officers have had a short-term incentive compensation modifier that continues to engage with our investors, seeks insight into their perspectives, and explore the viewpoints and positions of those who invest in our business.

The Board looks forward to continuing the ongoing dialogue with investors and applying that feedback to help inform business matters as they emerge. We thank you for your support and the privilege of representing you in Aflac Incorporated.



Key Examples

Foot Locker 2024 Proxy Statement

Separate letters (CEO & Indep Chair); strong branding; focus on executing and oversight of strategy

MESSAGE FROM OUR CEO

Dear Fellow Shareholders:

Our vision at Foot Locker, Inc. is to be known as the "go to" destination for discovering and buying sneaker brands. Our mission is to unlock the "total sneakerhead" at all of us. The Last Up Plan is designed to support our vision and vision, and our plan delivers on it for our shareholders. For context, we set our ambition for 2024, including the more ambitious goal of 10% EBIT margin, and our goal for 2025, which is to be known as the "go to" destination for discovering and buying sneaker brands. Our vision is to be known as the "go to" destination for discovering and buying sneaker brands. Our mission is to unlock the "total sneakerhead" at all of us. The Last Up Plan is designed to support our vision and vision, and our plan delivers on it for our shareholders. For context, we set our ambition for 2024, including the more ambitious goal of 10% EBIT margin, and our goal for 2025, which is to be known as the "go to" destination for discovering and buying sneaker brands.

50
Looking to 2024, we are repositioning Foot Locker, Inc. for the future. Our momentum—particularly in the second half of the year—means that we are entering 2024 positioned for a recovery, and on the path to reaching 8.5%-9.0% (1) in EBIT margins by 2025.

Foot Locker, Inc.

MESSAGE FROM OUR NON-EXECUTIVE CHAIR

Dear Fellow Shareholders:

Foot Locker, Inc. is an iconic company that has shaped sneaker culture for 50 years. I am honored to serve you, our shareholders, as Non-Executive Chair of the Board, and I partner with our CEO, Executive Officer, Mark Fisher, and our executive leadership team as they execute the Last Up Plan.

Agreed a majority of shareholders and executive officer in 2023, as well as Company's future, the executive leadership team focused on both near-term results and executing the Last Up Plan. Highlights from 2023 include the following:

- Key Year Strategic Objectives:** In 2023, the Board focused on the development of the Last Up Plan. The Board has been focused on executing the Last Up Plan, and the Board has been focused on executing the Last Up Plan. The Board has been focused on executing the Last Up Plan, and the Board has been focused on executing the Last Up Plan.
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I thank you—our shareholders—for your ongoing support. I also thank our Board of Directors for their expertise, guidance, and support, and our 45,000 team members for their hard work and passion for serving our customers.

I am excited to continue executing the Last Up Plan in 2024 and beyond.


MARK S. FISHER (Independent)
President and Chief Executive Officer

2024 PROXY STATEMENT

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MARK S. FISHER (Independent)
President and Chief Executive Officer

2024 PROXY STATEMENT

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I am excited to continue executing the Last Up Plan in 2024 and beyond.


DANA S. YOUNG (Independent)
Non-Executive Chair

2024 PROXY STATEMENT



◀ Table of Contents Topic Table of Contents

Key Examples

Healthpeak Properties 2024 Proxy Statement


Single letter from full Board with section on Corporate Responsibility; pictures of each director

Intel 2024 Proxy Statement



Single letter from independent Chair highlighting deep engagement of Board and commitment to governance

Letter from Our Board of Directors



Dear Stockholders,

On your behalf, we are committed to governing Healthpeak in a prudent and transparent manner and to delivering long-term value for you. We proactively oversee Healthpeak's business strategy, corporate governance, executive compensation, corporate responsibility initiatives and risk management, among other things, and we are pleased to share with you the results of our efforts over the past year.

Most notably, we recently completed our transformative business combination with Physicians Realty Trust and added five new directors to our Board. We are pleased to welcome John T. Thomas, who will serve as our Vice Chair, as well as Pamela J. Kessler, Ava E. Llap-Booker, Governor Tommy G. Thompson and Richard A. Weiss to our Board. We also bid a fond farewell to Christine H. Garvey and David B. Henry, who will retire at this year's Annual Meeting pursuant to our director term limit policy. We thank them for their years of dedicated leadership and service.

Merger with Physicians Realty Trust

The all-stock business combination with Physicians Realty Trust created a combined company with total assets of approximately \$13 billion. The combined company is expected to be the leading real estate platform dedicated to healthcare discovery and delivery, showcasing a portfolio of over 50 million square feet, including 40 million square feet of outpatient medical properties concentrated in high-growth markets such as Dallas, Houston, Nashville, Phoenix and Denver. The combined company will benefit from extensive relationships with the nation's leading health systems.

Commitment to Risk Management and Oversight

The Board is committed to robust risk oversight of the business, among other things. In 2023, the Board conducted its annual enterprise risk management assessment to identify and prioritize risks throughout the organization. As part of that review, we engaged a third-party expert to review specific cybersecurity risks throughout our portfolio and identify and implement proactive mitigation measures.

Corporate Responsibility

We undertake environmental, social and governance ("ESG") initiatives that seek to increase long-term stakeholder value and underscore our commitment to corporate responsibility. In 2023, we conducted a comprehensive review of our sustainability strategy and developed a 10-year strategic roadmap, focusing on our decarbonization pathway and corporate- and asset-level initiatives that we believe will yield a return on investment, optimize building performance, reduce operating costs, generate cost savings and promote energy efficiency. We also published our 12th annual ESG Report, which was prepared in accordance with leading reporting frameworks, including the Task Force on Climate-Related Financial Disclosures, Sustainability Accounting Standards Board, Global Reporting Initiative and United Nations Sustainable Development Goals. Throughout 2023, we received numerous awards for our sustainability efforts, including being named by Newsweek to America's Most Responsible Companies list for the fifth consecutive year and the Global Real Estate Sustainability Benchmark (GRESB) Green Star Rating for the 12th consecutive year.

4 HEALTHPEAK PROPERTIES

Letter from Our Board of Directors



HONORHEALTH NEUROSCIENCE INSTITUTE SCOTTSDALE, AZ OUTPATIENT MEDICAL

We focused on human capital management, with a particular emphasis on employee well-being and diversity and inclusion. We also continued our long-standing commitment to partnering with and supporting charitable organizations.

As a leader among REITs in corporate governance matters, we prioritized transparent disclosure and robust governance practices. In 2023, our disclosure practices were recognized by IR Magazine with the Corporate Governance Award for Best Proxy Statement by a mid-cap company.

Central to our executive compensation philosophy is the concept of paying for performance. We place a significant portion of executive compensation "at risk" in the form of performance-based annual cash bonuses and long-term equity awards to help promote the execution of our business strategy in a manner that creates long-term stockholder value, encourages prudent risk management and enhances retention of our talented executive team.

Looking Ahead

We continue to concentrate our operating and investment strategies where we have a competitive advantage, which we believe is key to generating sustainable stockholder value. We are excited about Healthpeak's market position and believe we are well positioned for long-term growth.

Thank you for your continued support. Sincerely,
The Board of Directors



2024 PROXY STATEMENT 5

Letter from Your Board Chair

Dear Stockholder,

Intel delivered a series of notable accomplishments in 2023 that are critical to accelerating its momentum and a sign of the transformation that will continue to create stockholder value in the years ahead. The company's senior leadership team, led by CEO Pat Gelsinger, worked tirelessly in 2023 with a rigorous focus on execution, which included advancing its process and product roadmaps, transitioning to a new foundry model to drive cost competitiveness, and implementing a new strategy to bring AI everywhere.

While we achieved important milestones and delivered on our commitments for the year, we have much more work to do. In 2024, we are laser-focused on delivering leadership products and meeting our financial targets while continuing to transform Intel across every category and segment in which we compete.


Strong Execution of our Transformation and a Clear Vision for a New Intel

Three years ago, we outlined our ambition to revitalize Intel by setting the company on a path to regain process and product leadership, establish an at-scale foundry business, and build manufacturing capacity across a more resilient, globally diversified supply chain. While transformation at this scale takes years, Intel is moving at pace to deliver on this vision.

In 2023, we made significant progress on our goal of delivering five nodes in four years (5N4Y)—bringing process leadership within reach. In fact, we are moving beyond 5N4Y with Intel 14A, which is designed to extend our process leadership into the latter part of the decade. These feats of engineering demonstrate that our transformation has taken hold.

Our rapid progress in advancing process technology enabled the development of leadership products, both for Intel and for our Foundry customers, and significantly expanded our revenue opportunity. Furthermore, we continued to strengthen our ability to expand global manufacturing capacity, supported by anticipated incentives from the US CHIPS and Science Act, the EU, and Israel.

Our strategic progress was underpinned by strong financial and operational discipline. We delivered \$3 billion in cost savings for the year and took strategic portfolio actions to unlock significant value for our stockholders, including the sale of a stake in IMS Nanofabrication and the announcement of our intention to independently capitalize Alterra®, an Intel company (formerly Intel Programmable Solutions Group).



4 intel

Letter from Your Board Chair

Looking ahead, our growth opportunity is supercharged by AI, where we have the unique ability to participate across the semiconductor landscape with Intel Products and Intel Foundry. While still in the early stages, we have an unwavering focus on strengthening our market position to capitalize on this vast opportunity.

The Board's Deep Engagement with Intel's Strategy and Stockholders

Your board of directors is focused on enabling the company's transformation in full alignment with stockholders' interests. In this effort, board members, individually and collectively, are deeply engaged with Intel management overseeing the execution of the company's strategy. Directors regularly hold in-depth discussions with Intel's executive team and key business leaders and conduct ongoing reviews of progress across initiatives including 5N4Y, Intel Foundry, and AI strategy. In addition, your board remains focused on capital allocation, liquidity and capital expenditure, and other investment plans, including the ongoing evaluation of potential transactions to unlock value.


The board regularly engages with stockholders, on these issues in addition to execution oversight and sustainability and governance practices as well as executive compensation, among others. In 2023, Dion Weisler and I led outreach efforts to stockholders owning ~65% of the institutionally held shares of the company and met with stockholders representing ~48% of those shares. These conversations are both opportunities to share our thinking directly with owners and for the board to hear and learn from them. This process makes the company better and we remain dedicated to an active and ongoing dialogue.

Governance and Board of Directors

The composition of Intel's board reflects a diversity of expertise, industry experience, and backgrounds. We maintain a thoughtful director refreshment process to ensure our board continues to comprise the right mix of skills and perspectives to guide and oversee Intel's transformation. We have added four directors in the last three years, recently welcoming Stacy Smith back to Intel as an independent director. Our director identification process is ongoing as we continually seek highly qualified candidates, focused in areas where additional depth on the board can support current and future company priorities and opportunities.

My strong confidence and optimism in Intel's future is enabled by the tremendous technical and manufacturing accomplishments of the past few years and, critically, by the many Intel team members around the globe who drove these achievements. As we look ahead, our commitment to work alongside fellow directors to drive amazing solutions for our customers and create long-term value for stockholders is unwavering.

We thank you for your continued feedback, investment, and trust in Intel.

Sincerely,

Frank D. Yeary
Chair of the Board

2024 PROXY STATEMENT 5



Key Examples

Allstate 2024 Proxy Statement

Separate letters (Chair/CEO & Indep Directors); includes infographics in Chair/CEO letter; good use of heading and callouts in director letter

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Allstate

Allstate Shareholder Letter

Dear Fellow Shareholders,

To succeed in a marketplace and rapidly changing world, businesses must operate with clarity of purpose, strategic vision, precision and speed. In this letter, 2023 sets a year of renewed strategic, financial and societal commitment. Strategic priorities will be the foundation for driving customer recovery from catastrophes, improving auto insurance profitability, proactively managing investments and enhancing the business for sustainable growth. Looking ahead, your company is well-positioned for long-term success.

2023 Results

The Board's Performance Review Committee ("PRC") has reviewed the 2023 results. The PRC is pleased with the performance of the company and the Board of Directors. The PRC's review is based on the company's performance against its strategic goals and the expectations of the Board of Directors. The PRC's review is based on the company's performance against its strategic goals and the expectations of the Board of Directors.

2023 Operating Priorities

The Board of Directors has approved the following operating priorities for 2024:

- Improve operational efficiency
- Enhance customer experience
- Strengthen financial performance
- Invest in sustainable growth

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2023 Operating Priorities

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- Improve operational efficiency
- Enhance customer experience
- Strengthen financial performance
- Invest in sustainable growth

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Allstate

Allstate Shareholder Letter

Dear Fellow Shareholders,

To succeed in a marketplace and rapidly changing world, businesses must operate with clarity of purpose, strategic vision, precision and speed. In this letter, 2023 sets a year of renewed strategic, financial and societal commitment. Strategic priorities will be the foundation for driving customer recovery from catastrophes, improving auto insurance profitability, proactively managing investments and enhancing the business for sustainable growth. Looking ahead, your company is well-positioned for long-term success.

2023 Results

The Board's Performance Review Committee ("PRC") has reviewed the 2023 results. The PRC is pleased with the performance of the company and the Board of Directors. The PRC's review is based on the company's performance against its strategic goals and the expectations of the Board of Directors. The PRC's review is based on the company's performance against its strategic goals and the expectations of the Board of Directors.

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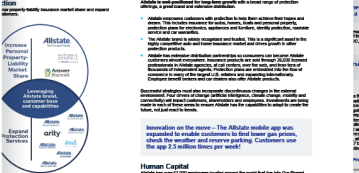




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Key Examples

Levi Strauss & Co. 2024 Proxy Statement

Single letter from independent Chair discussing CEO transition

ConocoPhillips 2024 Proxy Statement

Joint letter from Chair/CEO & LID; two pages with descriptive headings and highlighting the company's SPIRIT values

Bank of America 2024 Proxy Statement

Separate letters (Chair/CEO & LID) on one page and appear side-by-side

NOTE FROM OUR CHAIR

"As we begin this new chapter at LSCo, we are confident we have the right leadership and strategies in place - coupled with the feedback and engagement of our shareholders - to further drive sustained profitable growth and continue to demonstrate the strength and resilience of our company and brands."



2023 was a pivotal year for Levi Strauss & Co. ("LSCo"), as the company carried out a successful CEO succession plan that resulted in Michelle Goss, a proven and distinguished business leader, being named CEO of LSCo, in January 2024. We applauded Chip Bergh for an impressive 12-year tenure as chief executive officer, and we honored to have Michelle guide the company through this next chapter of growth. LSCo's strategic growth areas of being direct-to-consumer (DTC) first and brand-led and focusing on diversifying our portfolio are working. While the company and industry on large faced headwinds in wholesale and a volatile macroeconomic and geopolitical environment, LSCo delivered \$4.2 billion in total net revenue for 2023, with global DTC up 13% for the full year. We also returned \$199 million in capital to shareholders, primarily in dividends, which were up 9% from the previous year. There was a lot to be proud of within our brand portfolio. The Levi® brand continues to hold the top spot in the global denim marketplace and sits firmly in the center of culture, with new collaborations and partnerships strengthening connections with consumers and the next generation of shoppers. In May, we celebrated the 150th anniversary of the iconic Levi® 501® jeans and saw 501® sales grow 7% for the full year, with our total Levi® brands revenue growing to \$5.4 billion last year. In 2023, we continued to expand our brick-and-mortar presence across our portfolio and geographies, including Beyond Toggle®, which opened six stores and expanded outside of Southern California. We have a lot to be excited about as we head into 2024. We welcomed veteran retailer and proven brand builder Nancy Green as the new CEO of Beyond Toggle® and last year added new faces to our executive leadership team, including Natalie MacLennan on the new CEO of Dockers®, Dawn Vitale as our chief merchant officer for the Levi® brand, Kenny Mitchell as our new chief marketing officer for the Levi® brand and Jason Gowen as LSCo's first chief digital officer. At the Board level, Pat Plencia retired from distinguished service to LSCo in December 2023, and earlier this year, the Board welcomed Dave Marberger to its ranks. As we begin this new chapter at LSCo, we are confident we have the right leadership and strategies in place - coupled with the feedback and engagement of our shareholders - to further drive sustained profitable growth and continue to demonstrate the strength and resilience of our company and brands. And as we move forward, we will do so without losing sight of our deep-rooted values, because as LSCo has seen time and time again, not only is the right thing to do, it also pays for business. We look forward to delivering a strong, profitable year in 2024 - for both the company and all of you.

Rob Eckert
Board Chair

We intend to mail the Proxy Availability Notice on or about March 14, 2024 to all shareholders of record entitled to vote at the annual meeting. We expect that this proxy statement and the other proxy materials will be available to shareholders on or about March 14, 2024.

A Message from Our Chairman and Chief Executive Officer and Lead Director

April 1, 2024

Dear Fellow Stockholders,

On behalf of the Board of Directors (the "Board") and the Executive Leadership Team, we are pleased to invite you to participate in the 2024 Annual Meeting of Stockholders (the "Annual Meeting"). The meeting will take place virtually on Tuesday, May 14, 2024, at 9:00 a.m. Central Daylight Time. There will be no in-person meeting. The attached Notice of the 2024 Annual Meeting of Stockholders and Proxy Statement provides information about the business we plan to conduct.

At our 2023 Analyst & Investor Meeting, we reaffirmed our durable returns-focused value proposition with an updated 10-year financial plan that produces solid free cash flow, allowing us to reward stockholders now and into the future.

As we enter 2024, ConocoPhillips continues to be guided by our Triple Mandate, which sets out three objectives to align our actions with the underlying realities of our business and demonstrates our commitment to create long-term value for our stockholders. First, we must reliably and responsibly deliver oil and gas production to meet energy transition pathway demand. Second, we must deliver competitive returns on and of capital for our stockholders. Third, we must remain focused on achieving our net-zero operational emissions ambition. Our Triple Mandate underpins our clearly defined value proposition of delivering superior returns through price cycles based on our foundational principles of balance sheet strength, operating leadership, disciplined investments, and responsible and reliable environmental, social, and governance performance.

Continuing to Deliver on Each Pillar of the Triple Mandate

In 2023, we continued to deliver on each of the three mandates: First, we achieved record full-year Lower 48 and total Company production, enhanced our diverse portfolio, and progressed our global LNG strategy. In 2023, we delivered operationally across our diverse global portfolio with record full-year production of 1,820 MBOE, led production at an attractive price that fits our financial framework, Long-Term, low-sustaining capital assets like Summit play an important role in our low cost of supply portfolio. In addition, we reached final investment decision (FID) at Wolf Lake, Alaska, where we have over 50 years as a proven, responsible operator. Finally, we continued to advance our global LNG strategy through expansion in Qatar, FID at Port Arthur LNG, repatriation agreements in the Netherlands and offtake agreements in Mexico. We now have equity, offtake, and repatriation agreements across major global markets.

Second, we returned \$11 billion to stockholders and maintained discipline on our cost of supply framework with a continued focus on returns on and of capital. Full year 2023 earnings were \$10 billion, or \$9.06 per share, and our net cash provided by operating activities totaled \$20.0 billion. We returned \$10 billion to stockholders through our three-tier framework, including \$5.6 billion through our ordinary dividend and variable return of cash and \$5.4 billion in share repurchases. This is the excess of our normal through-cycle commitment to return greater than 30% of cash provided by operating activities to stockholders. In addition, we maintained discipline on our investment and capital cost of supply framework to maximize our returns on capital. We are resolute in our efforts

S SAFETY No task is so important that we can't take the time to do it safely. A safe company is a successful company.

P PEOPLE We respect one another. We recognize that our success depends upon the capabilities and inclusion of our employees. We value different voices and opinions.

I INTEGRITY We are ethical and trustworthy in our relationships with internal and external stakeholders. We keep our promises.

R RESPONSIBILITY We are accountable for our actions and the actions of our neighbors. Sustainability is core to our company and creates shared value for our stakeholders.

I INNOVATION We anticipate change and respond with creative solutions. We are responsible to the changing needs of the industry. We embrace learning. We are not afraid to try new things.

T TEAMWORK We have a "can do" attitude that inspires top performance from everyone. We encourage collaboration. We celebrate success. We win together.

A Message from Our Chairman and Chief Executive Officer and Lead Director

to maximize efficiencies and optimize well construction and completions designs to increase well recovery while minimizing incremental cost of supply. As an example, we achieved improvement of completion pumping efficiencies by 10% to 15% across our Lower 48 business segment.

Third, we accelerated our company's greenhouse gas (GHG) emissions-intensity reduction target through 2030 and were recognized by the Oil & Gas Methane Partnership 2.0 for our methane reduction efforts. In 2023, we demonstrated meaningful progress toward our Plan for the Net-Zero Energy Transition, including by accelerating our Scope 1 and 2 GHG emissions-intensity reduction targets from 40-50% to 50-60% gross operational emissions, using a 2018 baseline. We allocated a portion of our budget to projects to reduce our Scope 1 and 2 emissions intensity and advance low-carbon opportunities, including carbon capture and storage. In addition, we are in our second year of membership in the Oil & Gas Methane Partnership 2.0 (OGMP 2.0) initiative, which seeks to improve industry transparency in methane emissions reporting and encourage progress in reducing those emissions. We were awarded the OGMP 2.0 Gold Standard Pathway designation in recognition of our ambitious multi-year measurement-based reporting plan which goes beyond current regulatory requirements. Additionally, 2023 marked the first year that Energy Transition Milestones were included as a standalone metric in our Variable Cash Incentive Program, further demonstrating our commitment to our net-zero operational emissions ambition, by directly tying our performance on the Energy Transition Milestones to our compensation.

Looking to the Future Now and into the future, we are focused on operational excellence with a proven track record of strong returns. Our strategy is differentiated, and we believe our portfolio is the deepest, most durable and diverse of any of our peers. In addition, we are well positioned for the energy transition. Safety remains a critical part of our culture, and we prioritize the safety of both our colleagues and communities. That means continuously looking for ways to create more safety, efficiency, and responsibility with a focus on reducing human error. We understand that this is a fundamental part of our license to operate.

Your input is valued and your vote is very important. We strongly believe that regular engagement with all stakeholders - stockholders, employees, customers, suppliers, advocacy groups, governments, and communities - is critical to our long-term success. The Annual Meeting is an opportunity for stockholders to express their views on ConocoPhillips' business. Whether or not you plan to participate in the Annual Meeting, and no matter how many shares you own, we encourage you to vote in advance. Your vote is important to us and to our business. Prior to the meeting, you may sign and return your proxy card, use telephone or Internet voting, or visit the Annual Meeting website at www.conocophillips.com/annualmeeting to register your vote. Voting instructions begin on page 132.

Thank you for your continued support.



Ryan M. Lance
Chairman and Chief Executive Officer

Robert A. Niblock
Lead Director

March 11, 2024

Letter from our Chair and Chief Executive Officer

We are pleased to invite you to the 2024 annual meeting of shareholders to be held on April 24, 2024 at 10:00 a.m. Eastern time. Our 2024 annual meeting will be held virtually by webcast.

During the meeting, we will provide updates on how Responsible Growth helped enable us to deliver for our shareholders and stakeholders in 2023—and how it positions us to deliver for shareholders and stakeholders in the future. You will also hear from Lionel Nowell, our Lead Independent Director.

Your vote is important. We will make a \$1 charitable donation for every shareholder account that votes. Contributions to our governance practices and our oversight of the company's drive for Responsible Growth. During these meetings, I also hear from shareholders on the things that matter to them most and share these viewpoints with the Board to enhance our oversight.

I encourage you to read our 2024 Proxy Statement, our 2023 Annual Report to shareholders, and the other proxy materials and the voting instructions on the pages that follow so your shares are represented at the meeting. These materials are also available on our annual meeting website at <http://www.bankofamerica.com/annualmeeting> and pre-arranged annual shareholder meeting.

On behalf of our Board, we would like to share a tribute to my friend and colleague, Frank Thrall, a 17-year member of our Board who passed away last year. Frank was a deeply committed member of our Board. We are grateful to Frank for his years of service and contributions as Chair of the Board's Corporate Governance, ESG, and Sustainability Committee, and prior to that, as Chair of our Board's Enterprise Risk Committee. We have greatly benefited from his judgment and counsel.



Brian T. Moynihan
Chair and Chief Executive Officer

Letter from our Lead Independent Director

The independent directors and I join Brian in inviting you to attend our company's 2024 annual meeting of shareholders.

Bank of America's Board of Directors is committed to building long-term value in the company through our continued focus on Responsible Growth, and values input from our shareholders as the company executes our strategy.

As the Board's Lead Independent Director, I meet with shareholders throughout the year to discuss the Board's focus on governance practices and our oversight of the company's drive for Responsible Growth. During these meetings, I also hear from shareholders on the things that matter to them most and share these viewpoints with the Board to enhance our oversight.

During 2023 and early 2024, I was joined by Monica Lozano, Chair of the Board's Compensation and Human Capital Committee, in dialogue with shareholders. Together with management, we met with holders of approximately 47% of our institutionally held shares. We discussed the Board's composition and our oversight of the company's progress toward its commitment to net zero greenhouse gas emissions by 2050 in its financing activities, operations, and supply chain. In response to the results of our 2023 "Say on Pay" vote, our dialogue also focused on Board and Committee oversight of Bank of America's executive compensation practices and disclosures. I greatly appreciate the time taken by our investors to provide the Board with valuable insight on how they believe our company can improve, and look forward to our continued dialogue.

On behalf of the Board, thank you for choosing to invest in Bank of America.



Lionel L. Nowell III
Lead Independent Director



Key Examples

Robinhood 2024 Proxy Statement

Single letter from Chair/CEO; clean presentation with pull quote

Letter from Our Chair and Chief Executive Officer

“

Over the next 10 years, our vision is to become the most trusted, lowest cost, and most culturally relevant money app worldwide. As we progress toward this vision, we believe that more and more of our customers' financial assets will be held at Robinhood, and more and more of their financial transactions will go through us as well.”



Dear fellow stockholders,

2023 was a pivotal year for Robinhood. We marked 10 years since our company's founding, representing a decade of progress towards a more modern, inclusive, and accessible financial system. Over the next 10 years, our vision is to become the most trusted, lowest cost, and most culturally relevant money app worldwide. As we progress toward this vision, we believe that more and more of our customers' financial assets will be held at Robinhood, and more and more of their financial transactions will go through us as well.

As we've accelerated our product velocity, we believe our investments in hardening our infrastructure have paid off. Through visible and uncertain times, Robinhood has been there for our customers. Safety remains our north star, and we're committed to building and maintaining resiliency. We remain focused on three priorities in 2024: winning active traders, increasing wallet share, and expanding internationally. Here's what you can expect this year:

- We're keeping improving our user experience on mobile. We plan to launch a more feature-rich professional offering on the web for active traders, and expand our selection of tradable assets with index options and futures.
- We're keeping investing to increase wallet share with our customers, with a focus on increasing Gold memberships and net deposits.
- Following our launch of options in the EU and brokerage in the UK, we'll work to bring more of our product offerings to those customers. We're also pursuing more opportunities to expand globally.

Over the past decade, Robinhood has leveraged personal finance in pursuit of our mission to democratize finance for all. With the support and oversight of our Board of Directors and with your investment as stockholders, we'll continue this work through 2024 and beyond.

Thank you for investing in Robinhood. We welcome your engagement in our upcoming annual meeting of stockholders.

Omar, 
Vladimir Tsvetkov
Chair, Chief Executive Officer and Co-Founder

EastGroup Properties 2024 Proxy Statement

Joint letter from CEO & Indep Chair; one page with pictures and short, descriptive headings; sections on shareholder engagement and sustainability

Letter to Shareholders

April 12, 2024
Dear Fellow Shareholders,



On behalf of the entire Board of Directors, we would like to provide an update on how we are creating shareholder value and how we are progressing on key areas of stakeholder interest. We are proud of our people and our performance and believe that we are well positioned to continue our positive momentum through 2024 and future years.

Another Year of Record Performance
We continue our streak of outstanding performance in 2023, with another year of record financial performance and strong operational results. Our funds from operations attributable to common stockholders ("FFO") increased over 11% to \$1.1 billion, compared to \$1.0 billion in 2022. Our operating income ("OCI") increased 10% to \$1.2 billion, compared to \$1.1 billion in 2022. Our FFO and OCI growth was driven by strong performance in our core markets, including the Northeast, Midwest, and South, and by the acquisition of 10 properties in 2023. Our debt portfolio remains strong, with a weighted average maturity of 3.1 years and a debt-to-capitalization ratio of 35.1%.

Our Growth Strategy Supports Long Term Shareholder Value
Despite economic uncertainties, we believe we are positioned to continue to create value for our shareholders. We have confidence in our growth strategy of acquiring, developing, and operating multi-brand business distribution centers for food and consumer goods retailers. Our focus is on high-quality, long-term investments that will drive long-term value creation for our shareholders. In 2023, we completed about 1 million square feet of development projects and made 200 acres of development land. As of December 31, 2023, our development and also-allow program consisted of 10 projects in 12 cities located in major market markets. In 2024, we began construction of 11 projects totaling approximately 2.4 million square feet. We transferred 13 properties with approximately 2.3 million square feet, which were 100% leased as of December 31, 2023, into our operating portfolio.

Our strong 2023 results support our commitment to deliver value to our shareholders. For 2023, we declared dividends of \$2.04 per share. That equals 44 years of consecutive quarterly cash dividends, with increases in each of the last 17 years. At December 31, 2023, for the five-year period, our total return to common stockholders plus change in our average stock price to shareholders was 104.1%. We also strengthened our balance sheet and continue to pursue well-capitalized and sustainable investments.

Commitment to Strong Governance and Shareholder Engagement
In May 2024, we changed our Board leadership structure to have an independent Chairman of the Board. Our most recent Board Leadership and Nominations Committee report is available on our website. The Board has a demonstrated record of being responsive to shareholder feedback on such matters as Board refreshment and diversity, shareholder voting rights and proxy choice responsibility.

Advancing our Corporate Sustainability Initiatives
Continuing to further our corporate sustainability initiatives remains an important focus for our Board and team. We continue to expand our development of properties to high sustainability standards, with the addition of electric vehicle charging stations at our new developments during 2023. We also continue to invest in energy efficiency and water conservation programs. We are committed to transparency in our reporting on the impact of our business operations and to our commitment to our stakeholders. We are committed to our commitment to our stakeholders and to our commitment to our stakeholders.

Our commitment to our stakeholders is an integral part of our business strategy. We are committed to our commitment to our stakeholders and to our commitment to our stakeholders. We are committed to our commitment to our stakeholders and to our commitment to our stakeholders.

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Donald F. Collins
Chairman of the Board


Marshall A. Loeb
Chief Executive Officer,
President and Director

¹¹ FFO and Same Line (SNL) (excludes income from lease terminations) are not computed in accordance with Generally Accepted Accounting Principles ("GAAP"). Reconciliation of FFO and Same Line (SNL) information from GAAP to our adjusted financial information can be found on pages 25-26 of our Annual Report on Form 10-K for the year ended December 31, 2023, which we filed with the Securities and Exchange Commission on February 14, 2024.

"On behalf of the entire Board of Directors, I would like to thank you for your continued support of EastGroup Properties. We are proud of our people and our performance, and we are excited for the future."
Marshall A. Loeb
Chief Executive Officer,
President and Director

Funds from operations attributable to common stockholders ("FFO") increased approximately 11%.
Same property net operating income ("NOI") increased 10%.

Acquired 0.3 million square feet of operating properties and > 300 acres of development land.

Declared dividends of \$2.04 per share, marking 17th consecutive quarters of such dividends.



Company Overview and Performance Highlights

Before say-on-pay, the presentation of selected financial metrics and an accompanying narrative were found almost exclusively in glossy annual report wraps and investor decks. As companies began to explain compensation paid to executives and demonstrate pay alignment with performance, a summary of performance became necessary to include in proxies. Today, an overview of the company (similar to an “about us” webpage or introductory slide), key strategic initiatives, and financial highlights are common proxy disclosures. Company performance is also a key factor for investors when voting for directors. The Board’s oversight of strategy (including overseeing management’s execution) and risk management, adherence to the company’s purpose, and focus on generating long-term shareholder value are evaluated by investors in making voting decisions.

Not all investors voting on proposals are as knowledgeable about the company as one might expect. Many large asset managers rely on proxy advisors who may have an industry focus, but do not “follow” the company and may not understand the nuances in the business model or strategy. Some institutional investors have their own voting guidelines and decision-makers, but even in these situations there is not always a sharing of knowledge across groups. Retail investors and other stakeholder groups may have even less knowledge of the company’s operations. Accordingly, providing a brief overview at the outset of the proxy statement gives the reader useful context about the company when considering the proposals that follow.

We note that the discussion of company performance for increasingly includes ESG and HCM highlights. See *ESG and HCM* section of this guide for more information.



What to Think About

- **What to Include:** The proxy's performance highlights section often includes:
 - Company's mission, vision, purpose or values (if not included on inside front cover)
 - Clear articulation of strategic priorities
 - Performance on metrics critical to strategy and shareholder return
 - Operational and financial highlights—both quantitative and qualitative—that demonstrate advancement in key strategic initiatives and/or explain factors contributing to operational results
 - How “value” is defined and generated for shareholders and the company's other stakeholders
- **Key Considerations:** In terms of the company's business performance, the selection of highlights should include a level of detail sufficient to quickly grasp the “story” of how the company performed during the year against its strategic goals. The presentation should include both financial and operational achievements, as well as any extraordinary events—which may range from leadership transitions to a significant acquisition to the consequences of a global pandemic.
- Remember also that performance highlights may be viewed in the context of executive compensation. Readers will expect to see performance metrics used in the compensation incentive programs, as well as a summary of performance datapoints and factors deemed important to the compensation committee in making its decisions.
- **Use of Infographics:** The company overview should be highly visual, using graphics or other visual elements to highlight strategy and business and financial highlights. While graphics can be used to demonstrate performance, particularly year-over-year comparisons, narrative text is almost always needed to provide context.
- **Where to Include:** The company overview often appears as a standalone section immediately preceding, or at the outset of, the proxy summary.
-

Labrador Transparency Award Criteria

- The mission, vision or purpose of the company is presented within the introductory pages.
- The document includes a company overview section using graphics or other visual elements.
- An overview of the company's strategy is presented within the introductory pages.
- The company overview section includes business and financial highlights.



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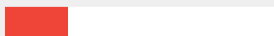
Benchmarking

Company Overview/Performance Highlights

Company overview includes:

24.0%

Overview of strategy



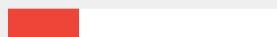
69.0%

Business and financial highlights



27.0%

Mission, vision or purpose of the company



Financial highlights graphic include:

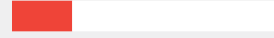
49.0%

A graphics depicting revenue or sales



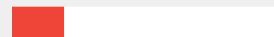
23.0%

A graphic highlighting company TSR



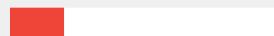
20.0%

A graphic highlighting net income



21.0%

A graphic highlighting relative company TSR





Key Examples

Phinia 2024 Proxy Statement



Highly visual; tight but still includes strategy and ESG

PROXY STATEMENT

The Board of Directors (the Board) of PHINIA Inc. is providing this proxy statement (the Proxy Statement) in connection with its solicitation of proxies to be voted at the Company's Annual Meeting of Shareholders to be held on May 9, 2024 (the Annual Meeting). We began making our proxy materials available on March 27, 2024.

COMPANY HIGHLIGHTS

Our Company

PHINIA is an independent, market-leading premium solutions and components provider, with over 100 years of manufacturing expertise and industry relationships and a strong brand portfolio that includes DELPHI®, DELCO-REMY and HARTIRIDGE®. We have a talented team of over 13,000 employees across 44 locations in 28 countries and are headquartered in Auburn Hills, Michigan, USA.

Across commercial vehicles and industrial applications (heavy-duty and medium-duty trucks, off-highway construction, marine, aviation, and agricultural) and light vehicles (passenger cars, trucks, vans, and sport-utility), we develop fuel systems, electrical systems, and aftermarket solutions designed to keep combustion engines operating at peak performance, while investing in advanced technologies to unlock the potential of alternative fuels.

Our Vision

Empowering the Transition to a Cleaner Tomorrow

Market-leading solutions and conceptual products drive efficiency today, while serving as leaders in the pursuit of carbon-neutral and carbon-free solutions of tomorrow.

Our Values

- Product Leadership** – Innovation that brings value to our customers
- Humility** – Seeking out diverse perspectives and working collaboratively
- Industry** – Recognizing our differences make us stronger; we are bold and intentional
- Net-Zero** – Committed to energy efficiency, waste reduction and beneficial reuse
- Integrity** – Taking responsibility for our decisions and doing what is right
- Accountability** – Taking ownership of our actions and for driving results

Our values support our commitment to innovation and quality as a trusted partner, powering our customers' transition to a cleaner, brighter tomorrow.

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COMPANY HIGHLIGHTS

2023 Financial Performance

\$3,500M Net Sales	\$3,450M Adjusted Sales	\$250M Net Cash Provided By Operating Activities	\$161M Adjusted Free Cash Flow
\$102M Net Earnings	2.9% Net Margin	\$490M Adjusted EBITDA	14.2% Adjusted EBITDA Margin

Adjusted Sales, Adjusted Free Cash Flow, Adjusted EBITDA, and Adjusted EBITDA Margin are non-GAAP measures. See Annex A for reconciliations to their most directly comparable financial measures as reported under GAAP.

Our Vision for Long-Term Value Creation

- Product Leadership**: Market-leading solutions and conceptual products drive efficiency today, while serving as leaders in the pursuit of carbon-neutral and carbon-free solutions of tomorrow.
- Sustainable Growth Strategy**: Provide attractive growth opportunities in light-duty, medium-duty, and heavy-duty categories.
- Financially Disciplined**: Sustainable, high-quality margin and cash flow generation to create shareholder value.
- Total Shareholder Return**: Delighted investment for growth and competitive capital returns while preserving balance sheet.

Capital Allocation Strategy

Our capital allocation strategy is a key component of our vision for long-term value creation. This strategy has enabled us to sustain strong shareholder returns and stock price performance since the Board approved the Company's initial share repurchase program and implementation of the Company's dividend on August 31, 2023.

\$82M Shareholder returns through dividends and share repurchases Net quarter 2024	\$35M Dividends	\$47M Share repurchases
--	--------------------	----------------------------

PHINIA ■ S&P 500 Index ■ S&P 600 Automotive Parts & Equipment Index

Our return on invested capital based decision making supports our objective of maximizing total shareholder returns. It drives our focus in remaining disciplined with how we use our capital.

-Bridy D. Etkens, President and Chief Executive Officer

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COMPANY HIGHLIGHTS

ESG Highlights

Advancing Sustainability Today, Powering a Cleaner Tomorrow

PHINIA's commitment to corporate responsibility is embedded in our values and how we do business. We recognize that managing ESG risks and opportunities is integral to our operations of advancing sustainability today, with the goal of powering a carbon neutral and carbon free tomorrow. We made great progress in 2023 in establishing our ESG governance structure and initial framework. In 2024, we will publish our first annual Sustainability Report and continue our engagement with stakeholders to further inform our ESG framework.

Engagement and Oversight

PHINIA's ESG governance structure is designed to enable broad engagement, strategic alignment, and appropriate oversight of ESG strategies, priorities, risks, and opportunities across the Company.

Our ESG Council consists of subject matter experts from business and corporate functions, as well as cross-functional workgroups focused on topics across PHINIA's ESG framework. The ESG Council oversees the development and monitoring of key ESG strategies and initiatives, and related trends, risks and opportunities. Members of the ESG Council provide quarterly updates to the ESG Steering Committee, which consists of our executive-level ESG sponsors. ESG Steering Committee members provide periodic updates to the executive-level Strategy Board, consisting of our Chief Executive Officer and his direct reports, on the work of the Council and progress across our ESG framework.

The Board is actively engaged with members of the ESG Council, ESG Steering Committee, and Strategy Board in overseeing PHINIA's key ESG strategies, with various oversight responsibilities delegated to our Board committees.

Corporate Governance Committee

- corporate governance
- succession planning
- sustainability strategy and corporate responsibility
- shareholder feedback on ESG topics
- Board-level ESG expertise and awareness of ESG-related risks and opportunities

Compensation Committee

- executive compensation policies and practices
- human capital management, including equity, diversity, and inclusion

Audit Committee

- internal audit, accounting and financial risks
- cybersecurity
- risk management
- whistleblower and ethics programs
- legal and regulatory compliance

Environmental

We recognize that one of the biggest impacts we can have in contributing to a cleaner tomorrow is driving sustainability through product innovation and development and reducing the environmental footprint of our operations.

- Product Engineering** – With our product portfolio, we are focused on enhancing efficiency and reducing environmental impact through our design and product lifecycle, alternative fuel technology, and remanufacturing initiatives.
- Environmental and Facilities** – We are developing our roadmap to carbon neutrality, with expected milestones and actions centered on implementing global smart metering, reducing our carbon emissions and waste, and enhancing energy efficiency, renewable energy use, and recycling methods.

Proxy Statement | 2024 → PHINIA 9

COMPANY HIGHLIGHTS

Social

We believe engaging our employees through our human capital management strategies and initiatives brings strength and excellence to our organization.

- Equity, Diversity and Inclusion**: Inclusivity is among the Company's core values. We strive to cultivate a culture where employees are treated with respect and their differences are valued.
- Education and Development**: We provide formal development opportunities for our employees to enable them to build the skills needed to reach their short- and long-term career goals.
- Engagement and Sentiment**: We actively deploy strategies to attract highly qualified talent and engage and retain our global workforce, including through reward and recognition programs, and competitive pay and benefits. We also support our employees in giving back to our local communities.
- Health and Safety**: The safety of our employees is a top priority. We are dedicated to continually improving safety performance through education, focusing our efforts on managing and mitigating risk and building a culture where safety comes first and is embedded in our culture.

Governance

We seek to empower our employees to act ethically and with integrity every day through robust standards, policies and training, and we engage our suppliers to promote sustainable and ethical conduct.

- Ethics and Integrity** – Through our Code of Ethical Conduct, policies, and related training, we define our principles, expectations, and guidelines for appropriate business behavior and making ethical and responsible choices.
- Supply Chain Responsibility** – We maintain high standards for human rights and environmental performance in our supply chain and seek to ensure our suppliers meet our expectations.

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Key Examples

The Coca-Cola Company 2024 Proxy Statement

Visual overview includes strategy, approach to human capital and ESG

3 REFRESH THE WORLD. MAKE A DIFFERENCE.

Our Company

The Coca-Cola Company (the "Company") is a total beverage company with products sold in more than 200 countries and territories. Our Company's purpose is to refresh the world and make a difference. Our brands include:

SPRING AND HOT DRINKS
Coca-Cola, Coca-Cola Classic, Diet Coke, Coca-Cola Zero Sugar, Fanta, Sprite, Minute Tapioca, Minute Tapioca with Chia Seed, Minute Tapioca with Chia Seed and Vanilla, Minute Tapioca with Chia Seed and Vanilla.

J&J KETCHUP, KETCHUP, KETCHUP ORIGINAL, KETCHUP ORIGINAL LIGHT, KETCHUP ORIGINAL LIGHT WITH SEEDS

WATER, SPORTS, COFFEE AND TEA
AQUA, AQUA FLAVORED, AQUA FLAVORED WITH CITRUS, AQUA FLAVORED WITH CITRUS AND MANGO, AQUA FLAVORED WITH CITRUS AND MANGO WITH SEEDS, AQUA FLAVORED WITH CITRUS AND MANGO WITH SEEDS AND VANILLA, AQUA FLAVORED WITH CITRUS AND MANGO WITH SEEDS AND VANILLA WITH SEEDS.

EMERGING
Coca-Cola, Coca-Cola Classic, Diet Coke, Coca-Cola Zero Sugar, Fanta, Sprite, Minute Tapioca, Minute Tapioca with Chia Seed, Minute Tapioca with Chia Seed and Vanilla, Minute Tapioca with Chia Seed and Vanilla.

LEARN MORE ABOUT OUR COMPANY

The Coca-Cola System

We make our branded beverage products available to consumers throughout the world through our network of independent bottling partners, distributors, wholesalers and retailers as well as our consolidated bottling and distribution operations. Consumers enjoy these branded products bearing trademarks owned by or licensed to us as a total of 2.2 billion servings per day.

SYSTEM PARTNERS

~200
~450
~130
2,200M

2023 Financial Highlights

REVENUE GROWTH		OPERATING INCOME GROWTH		EARNINGS PER SHARE GROWTH		CASH FLOW		DIVIDENDS PAID	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
6% ¹	12% ¹	4% ¹	13% ¹	8% ¹	8% ¹	\$11.6 BN	\$9.7 BN	\$8.8 BN	\$8.0 BN
Organic Growth	Organic Growth	Organic Growth	Organic Growth	Organic Growth	Organic Growth	Cash Flow	Free Cash Flow	Dividends Paid	Dividends Paid
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022

2023 Financial Highlights

Organic revenue in the Coca-Cola System includes that revenue in the other areas attributable to the system's operations, acquisitions and divestitures, as applicable, and the impact of divestitures in the system's operations. The Company's revenue is primarily derived from the sale of its products to independent bottling partners, distributors, wholesalers and retailers. The Company's revenue is primarily derived from the sale of its products to independent bottling partners, distributors, wholesalers and retailers. The Company's revenue is primarily derived from the sale of its products to independent bottling partners, distributors, wholesalers and retailers.

The Coca-Cola Company | 2024 Proxy Statement

Strategy

Our global organization that combines the benefits of scale with local delivery is positioned to refresh the world. We deliver results from operating environments by continuously improving our world-class marketing and innovation, revenue growth management and our use of our bottling partners.

Refreshed Portfolio
enabling us to capture growth opportunities

Strengthened Organization
enabling us to capture growth opportunities

Learn More About Our Company

Business Highlights

Refresh our near-term goals while positioning our business for the long term. Despite a challenging external backdrop, we grew volume in 2023 and achieved strong EBITDA growth for the year. We achieved this by driving a local focus, increasing flexibility on a global level and focusing on our core business for the long term. We remain committed to driving growth across our business and delivering on our purpose to refresh the world.

QUALITY LEADERSHIP IN OUR PORTFOLIO

We provide both volume and profit growth in our core business. We are a leader in our industry and have a strong track record of delivering superior performance to our shareholders. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

IMPROVING EXECUTION ACROSS ALL ELEMENTS OF OUR STRATEGY

We continue to make progress on our refreshment strategy. In 2023, we continued to refresh our portfolio, drive revenue growth, and improve our operating performance. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

BUILDING A STRENGTHENED ORGANIZATION

We continue to refresh our portfolio, drive revenue growth, and improve our operating performance. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

The Coca-Cola Company | 2024 Proxy Statement

Capital

Capital is a critical business priority, and we view it as a global employer of choice that attracts and retains high performing talent. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

2023 FINANCIAL HIGHLIGHTS

Refreshed our portfolio, drive revenue growth, and improve our operating performance. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

CAPITAL PILLARS

Our strategy is anchored in helping employees grow and thrive within, and beyond, the Coca-Cola system. We are refreshing our portfolio, drive revenue growth, and improve our operating performance. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

ESG AND INCLUSION

The Coca-Cola Company is committed to driving growth across our business and delivering on our purpose to refresh the world. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

The Coca-Cola Company | 2024 Proxy Statement

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HUMAN RIGHTS

Respect for human rights is a fundamental value of our Company. We strive to align our policies and practices with the UN Guiding Principles on Business and Human Rights across our value chain. We aim to meaningfully improve the lives we touch around the world.

CHALLENGE AND ENGAGEMENT

Each employee, leader and business across our Company contributes to our growth culture, which is grounded in our Company's purpose. Our leaders are the stewards of our culture change. We focus on four key growth levers - being customer, employee, innovation and agile - and our value has our work as much as what we achieve. Through our business, we are committed to driving growth across our business and delivering on our purpose to refresh the world.

BUSINESS INTEGRITY

Our Code of Business Conduct for employees and Code of Business Conduct for suppliers are both grounded in our commitment to do the right thing. They serve as the foundation of our approach to ethics and compliance, and our anti-corruption compliance program is focused on conducting business in a fair, ethical and legal manner.

Our people and culture agenda are key priorities of the Board of Directors (the "Board"). Through the Talent and Compensation Committee, the Board provides oversight of the Company's policies and strategies related to talent, leadership and culture, including diversity, equity and inclusion. See [page 32](#) for information regarding the Board's oversight of human capital.

The Coca-Cola Company | 2024 Proxy Statement

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PORTFOLIO

Our mission is to refresh the world and make a difference. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

PACKAGING

Our mission is to refresh the world and make a difference. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

AGRICULTURE

Our mission is to refresh the world and make a difference. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

PEOPLE & COMMUNITIES

Our mission is to refresh the world and make a difference. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

The Coca-Cola Company | 2024 Proxy Statement

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ESG AND INCLUSION

The Coca-Cola Company is committed to driving growth across our business and delivering on our purpose to refresh the world. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

Our mission is to refresh the world and make a difference. We are committed to driving growth across our business and delivering on our purpose to refresh the world.

The Coca-Cola Company | 2024 Proxy Statement



Key Examples

United Therapeutics 2024 Proxy Statement



2 page with Q&A format

About United Therapeutics

Our company was founded over 27 years ago with the challenge of finding a way to cure or treat a rare, life-threatening illness suffered by our CEO's daughter. That mission continues today, has grown to encompass a variety of rare diseases, and drives everything that we do. Early on, we developed a roadmap to success based on five strategic objectives:

- Develop the best medicines possible from our intellectual property
- Conduct the most insightful clinical trials of our medicines
- Achieve superior communication and awareness of our products among physicians
- Grow our business to be in the top quintile of our peers
- Achieve our goals by doing the right thing and using the highest ethical standards

Our Commitment to Corporate Social Responsibility

PATIENT-CENTRIC APPROACH
The parents of a child with pulmonary arterial hypertension founded United Therapeutics, so we take our commitment to patients personally. Through our relentless pursuit of life-changing therapies, medical devices, and transplantation technologies, and our patient support and assistance programs, we are striving to improve the lives of patients with pulmonary hypertension and other life-threatening diseases.

ENVIRONMENTAL STEWARDSHIP
We take sustainability seriously, and we believe that reducing our carbon footprint is a responsibility shared by all. Through our focus on constructing sites that are energy and LEED-certified buildings, we are taking a leadership role in driving the use of sustainable technologies forward.

OUR PEOPLE
We could not have achieved the best year in our company's history without attracting, supporting, and retaining our diverse, hard-working, team-playing employees we call "Unitherians". We have a company-wide minimum living salary, on-site subsidized child care, and a suite of health and wellness benefits to take care of our Unitherians holistically. Our Board and management teams lead our diversity, equity, and inclusion efforts and initiatives.

Proxy materials or a Notice of Internet Availability are being distributed to shareholders on or about April 29, 2024.

United Therapeutics at a Glance

WHAT IS UNITED THERAPEUTICS?
Founded to save a daughter's life, United Therapeutics is a profitable, 27-year old, unconventional biotechnology company that is building on its expertise and success developing therapies for pulmonary hypertension (PH) to address other chronic, life-threatening medical conditions ranging from pulmonary fibrosis to pediatric cancer. We do this through our pursuit of life-changing therapies, medical devices, organ manufacturing, and transplantation technologies. Our profit margins are among the strongest in the entire biotechnology industry.

WHAT DID WE DO IN 2023?
We continued to deliver strong operating results from our PH therapies and our pediatric cancer treatment, yielding revenues of over \$2.3 billion and net income of over \$980 million. We ended 2023 with a record number of U.S. patients being treated with our recombinant-based therapies, Tyvaso DPI®, a novel dry powder inhaler to deliver treprostinil in a simple-to-use device that fits in the palm of a patient's hand, grew to become our best-selling product following its commercial launch in 2022. This built on an approval in 2021 for nebulized Tyvaso® to treat patients with PH due to interstitial lung disease (PH-ILD), following the compelling results of a clinical study that was published in the *New England Journal of Medicine* in January 2022. Nebulized Tyvaso and Tyvaso DPI were the first medicines approved by the U.S. Food and Drug Administration (FDA) to treat this life-threatening disease. All of this reflects our ongoing commitment to invest in innovative research and development.

We made significant progress toward enrolling our pivotal TETON 1 and TETON 2 clinical trials of nebulized Tyvaso for patients with idiopathic pulmonary fibrosis (IPF), and launched a new phase 3 study, TETON PPF, of nebulized Tyvaso in patients with progressive pulmonary fibrosis (PPF). We also continued enrolling our phase 3 ADVANCE OUTCOMES study of raltegravir for patients with PAH.

We continued to engage with our shareholders—twice reaching out to those that collectively held approximately 70% of our shares to offer conversations with our Board members—and steadily increased the detailed information we provide about our governance practices and sustainability efforts.

HOW DID WE DO IN 2023?
Our solid 2023 results are a testament to the value of our focus on being a built-to-last, long-focused, and people-focused company that prioritizes the interests of patients. We continued our revenue growth trend in 2023, and strong revenues coupled with fiscally responsible budgeting generated substantial free cash flow, which contributed to our strong financial condition, including approximately \$4.9 billion in cash, cash equivalents, and marketable securities as of December 31, 2023 (approximately \$4.2 billion net of \$700 million in indebtedness).

Finally, we continued our leadership as a Delaware public benefit corporation (PBC) with the publication of our second Corporate Responsibility and Public Benefit Report. Converting to a PBC in 2021 aligned our charter with our longstanding values and operating model.

WHERE ARE WE HEADED?
Following the 2022 launch of Tyvaso DPI and the 2021 launches of nebulized Tyvaso in PH-ILD and the Remunify Pump for Remodulin, we expect to continue to grow revenue from our treprostinil-based therapies through new indications and new delivery devices. We are also working on entirely new therapies to treat pulmonary arterial hypertension (PAH) and other rare diseases that we hope to launch over the next several years. Longer term, we have set the ambitious goal of addressing the acute shortage of transplantable organs through our innovative organ manufacturing programs, including ex-vivo lung perfusion (EVLP), xenotransplantation, regenerative medicine, and organ printing. In 2023, we significantly expanded our portfolio of organ manufacturing technologies by acquiring IVA Medical, Inc. and Micronatic Medical, Inc. in October and December, respectively.

We are striving toward our goal of achieving an annual revenue run rate of \$4 billion by mid-decade. We expect this growth to come from our ongoing commercial programs. In addition, we have five registration-phase studies underway:

- TETON 1 and TETON 2 evaluating nebulized Tyvaso in IPF
- TETON PPF evaluating nebulized Tyvaso in PPF
- ADVANCE OUTCOMES evaluating raltegravir in PAH
- Our phase 3 program evaluating the Centralized Lung Evaluation System (CLES) for EVLP

2024 Proxy Statement 1



Key Examples

Discover Financial Services 2024 Proxy Statement



Includes New for this year section

Company highlights

The following summary sections highlight selected information about the matters to be voted on at the Annual Meeting. You should read the entire Proxy Statement before voting. For more complete information regarding the Company's 2023 performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

New for this year's proxy statement

Shareholders and other readers should notice a significantly revamped Proxy Statement for 2024. We have worked with internal and external partners to revise the layout, flow, and language throughout the document, with the goal of transparency and readability. Further, we have focused on increasing the number of tables, charts, and info graphics to assist in digesting information and breaking up dense text. The reader experience was kept in mind during the uplift process.

We have also added several new features and sections this year. For example, this year's Proxy Statement includes a new "Proxy statement tear sheet" that compiles much of the information that shareholders may review before deciding how to vote their shares. Similarly, significant effort was put into this year's "Company highlights" and "Proxy statement summary" in an effort to summarize the key voting issues and related information for shareholders. Also new this year is a new section highlighting our strategy and business operations. Shareholders are, however, encouraged to read the entire Proxy Statement before casting their votes. We have built out and/or created new sub-sections within "Corporate governance," which is also now a standalone section, such as corporate governance shareholder engagement and board refreshment. We have also expanded the discussion to highlight our robust environmental and social programs, goals, and progress at Discover.

Company overview

Our business

Discover is a digital banking and payment services company known for its credit cards offering leading rewards, award-winning customer service, and no annual fee. However, we are much more than our credit cards. Discover also offers online banking services and personal and home loans and, through January of this year, offered private student loans.

Additionally, Discover operates the Discover Network, the PULSESM network and Diners Club InternationalSM, which are collectively known as the Discover Global Network. The Discover Network processes transactions for Discover-branded credit and debit cards and provides payment transaction processing and settlement services. PULSE operates an electronic funds transfer network, providing financial institutions issuing debit cards on the PULSE network with access to ATMs domestically and internationally, as well as merchant acceptance throughout the U.S. for debit card transactions. Diners Club is a global payments network of licensees, which are generally financial institutions, that issue Diners Club branded charge cards and/or provide card acceptance services.

6 Discover | 2024 Proxy Statement

Key values and behaviors

Our Values drive us and provide a roadmap of how we conduct our business. Along with our 12 Values dictate how we will operate. Each of our Behaviors is linked to one or more Values to ensure our employees live out the Values. The following table demonstrates how Discover is supported by our Behaviors.

Supporting our values	Discover values
Business goals	Innovation
Responsibility	Doing the right thing
Customer satisfaction	Innovation
Customer focus	Innovation
Efficiency & simplicity	Innovation, Simplicity
Empower ourselves	Openness
Build partnerships	Collaboration, Volunteerism
Positive energy	Enthusiasm, Respect
Engage others	Openness

2024 Proxy Statement

Performance highlights

Company's accomplishments included:

Company earned net income of \$2,340 million from 11 revenue groups and a robust net interest margin of 18.0%	Delivered second highest profit before taxes and reserves ("PBT") of \$4,802 million and the best diluted EPS of \$1.26 in Company history
Continued to invest in branding and acquisition	Successfully launched Cashback Debit on a national scale contributing to consumer deposit growth of 8%. Total loans up 13% driven by investments in new account acquisition, payment rate moderation and sales volume growth
Disciplined expense management	Achieved a 31% efficiency ratio (versus 35% in 2022) while investing over \$100MM in compliance and risk management capabilities
Strong shareholder returns	21% return on equity for the year, increased quarterly dividend by 1% to \$0.70 per share

11-Q4 2023 financial measure that should be viewed in addition to, not as a substitute for, the Company's GAAP PBT. PBT is derived by adding the change in the allowance for credit losses of \$157 million, the tax on the liability for expected credit losses on unfunded commitments of (\$1) million, and income tax expense of \$55 million to net income of \$2,340 million. The Compensation Committee believes that PBT is a fair measure of the core operating performance of the business that increases focus on factors the Company's highest employees are most able to directly impact and influence. Please see "Pay Mix A" for a breakdown of PBT to net income.

2024 Proxy Statement

Environmental and social programs at Discover

Our approach

Our programs and practices help us deliver on our Company's mission of creating brighter financial futures by advancing sustainability and equity across our business. We do this by focusing on key areas including governance, DEI, financial inclusion, social impact, and environmental sustainability. Creating related goals across these areas helps us to measure our progress and reinforces our commitment to meeting our shareholders' and other stakeholders' interests.

The Nominations Committee, in coordination with other committees of the Board, oversees our policies, programs, strategies, reporting and goals related to environmental and social matters. We execute program initiatives through our ESG Steering Committee and ESG Working Groups, comprised of practitioners and senior leaders with responsibility for environmental and social focus areas. These groups meet at least quarterly throughout the year. Regular engagement with our key stakeholders is critical to advancing our related strategies. We do this through a variety of mechanisms including stakeholder outreach, surveys, meetings, partnerships, and events.

Our philosophy	We make it our mission every day to contribute to a more equitable and sustainable world so everyone can achieve a brighter financial future.
DEI	We make DEI a part of everything we do so our employees can thrive, and we can best serve our customers.
Social Impact	We use our full platform of jobs, products, business spend, philanthropy, and more to advance equity—and motivate others to effect change.
Environmental sustainability	We contribute to a more sustainable world through resource conservation and the reduction of our operational impact.
Governance	We commit to "Doing the Right Thing" by being transparent, accountable, and ethical in everything we do.

Our goals and highlights

See Discover's most recent ESG Report for our current environmental- and social-based goals and progress against those goals (as of the publication of the report). Discover's progress will be further updated in forthcoming ESG reporting. We encourage readers to review the various reporting documents available on our website.

2024 Proxy Statement

Human Capital Management

Our business is highly dependent on attracting, retaining, and developing employees with skills and experience to support our customers, our business, and our strategy. We currently employ 20,000 individuals at December 31, 2023, which consisted primarily of full-time U.S. employees. Additionally, we employ 20% of our customer service agents within the U.S., offering a distinct competitive advantage.

Our people-first culture and human capital management strategy is built on a core values and Discover Behaviors and powered by significant investments in training and development, market-competitive compensation and benefits, and DEI. One result from our human capital strategy is in our consistently high levels of employee engagement. We measure this through employee surveys.

Information can be found under "Business – Human Capital" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Market-Competitive Compensation and Benefits

DEI

Pay Equity

Employee Engagement

2024 Proxy Statement



Key Examples

Leidos 2024 Proxy Statement



Visual overview with strategy; links highlights to pay

Our Company

Company Overview

Leidos, recognized as a member of the Fortune 500®, is a dynamic innovation company that is at the forefront of addressing the world's most challenging issues in the national security and health sectors. With a global workforce of approximately 47,000, Leidos is committed to developing innovative technology solutions, particularly for customers in highly regulated industries. We bring domain-specific capabilities and innovations to customers in each of these markets by leveraging five technical core capabilities: digital modernization, cyber operations, mission software systems, integrated systems and mission operations. Applying our technically advanced solutions to help solve our customers' most difficult problems has enabled us to build strong relationships with key customers. Our customers include the U.S. Department of Defense, the U.S. Intelligence Community, the U.S. Department of Homeland Security, the Federal Aviation Administration, the Department of Veterans Affairs, National Aeronautics and Space Administration and many other U.S. civilian, state and local government agencies, foreign government agencies and commercial businesses. With a focus on delivering mission-critical solutions, Leidos generated 87% of revenues for the fiscal year ended December 31, 2023, from U.S. government contracts, either as a prime contractor or a subcontractor to other contractors engaged in work for the U.S. government.

KEY STATISTICS

Headquarters: Reston, Virginia
47,000+ employees worldwide

MARKETS

2023
\$15.4B REVENUE

WORKFORCE

- 52% Have a U.S. Security Clearance
- 23% Have Advanced Degrees
- 19% Employees Are Military Veterans

Operation MVP is our company-wide initiative to hire, train, and support returning veterans.

OUR COMPANY

DELIVERING STRONG FINANCIAL RESULTS

OUR COMPANY

OUR COMPANY

OUR COMPANY

OUR COMPANY

DELIVERING STRONG FINANCIAL RESULTS

- Delivering strong financial results
- Delivering strong financial results
- Delivering strong financial results

DELIVERING STRONG FINANCIAL RESULTS

- Delivering strong financial results
- Delivering strong financial results
- Delivering strong financial results

OUR COMPANY

ADVANCING ENVIRONMENTAL SUSTAINABILITY

OUR COMPANY

OUR COMPANY

OUR COMPANY

OUR COMPANY

ADVANCING ENVIRONMENTAL SUSTAINABILITY

- Advancing environmental sustainability
- Advancing environmental sustainability
- Advancing environmental sustainability

OUR COMPANY

AWARDS AND RECOGNITION

OUR COMPANY

OUR COMPANY

OUR COMPANY

OUR COMPANY

GAAP, in particular as compensation targets. These non-GAAP measures should be viewed as supplements to the financial data for our results of operations and other measures reported under GAAP. Other companies may not define or calculate these non-GAAP measures in the same way. We provide a reconciliation of our non-GAAP measures used in compensation targets to the corresponding GAAP measure on page 64.



Proxy Summaries

Proxy summaries consolidate the most pertinent information in the body of the proxy so readers know what they can expect to see. Typically, a proxy summary includes an overview of the proposals up for vote at the annual meeting, the board's recommendations for each proposal, and background information to support those recommendations, such as an overview of the board of directors and the executive compensation program.

What to Think About

Ideally, the proxy summary provides an overview of key topics so readers can decide what issues to explore in more detail. The proxy summary should include enough information to frame the company's messages, but leave more complicated, nuanced discussions and data to the applicable proxy section. It is helpful to provide appropriate cross-references (or internal links in electronic proxies) so readers trust that information is not being buried.

* We note that the umbrella term "proxy summary" (or similar name variation) may include all of the introductory pages of the proxy.

Labrador Transparency Award Criteria

- The proxy summary or introductory pages include a table listing the proposals, together with the board's recommendations for each one.

The key question is how best to use the prime real estate in the opening pages of the document, and the answer is likely to be different for each company. Remembering that the proxy summary is an opportunity to make a good first impression, companies should consider including:

- A tabular summary of the annual meeting proposals, along with the board's recommendations
- Business and performance highlights, if not included in a separate section at the beginning of the proxy
- A snapshot of the board, including a high-level overview of skills, experience, and diversity
- A list of governance best practices and, if applicable, recent enhancements
- Highlights from the most recent stockholder engagements, especially if there were contentious issues during the year

An overview of the compensation program that shows the NEOs' target pay mix and indicates how much is performance-based

- A preview of significant executive compensation decisions (including changes to the program) and incentive plan payout results, and a brief explanation of any one-off situations related to leadership transitions or special awards
- A graphic that demonstrates how pay is aligned with shareholder value creation
- ESG or sustainability highlights, if not included in a separate section of the proxy



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Benchmarking

Proxy Summary

83.0%

Document includes a proxy summary section



Board of Directors

84.0%

Includes overview of directors (name, occupation, age, independence, tenure and committees)



84.0%

Includes demographic of directors



10.0%

Includes skills matrix



57.0%

Includes governance highlights



Compensation

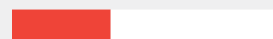
54.0%

Proxy summary (or CD&A summary section) includes components of compensation



37.0%

Includes summary of key compensation practices





Key Examples

Apple Inc. 2024 Proxy Statement

Simple, uncluttered presentation of business highlights, compensation changes, nominees and skills, shareholder engagement, and voting recommendations

The image displays a collage of overlapping screenshots from the Apple Inc. 2024 Proxy Statement. The visible sections include:

- Executive Compensation:** A bar chart titled "Total Shareholder Return Through September 30, 2023" comparing Apple's performance to the S&P 500. Apple's return is 65.24%, while the S&P 500 is 38.21%.
- Shareholder Engagement:** A section titled "Shareholder Engagement in Calendar Year 2023" featuring two circular gauges: "Engaged" at >60% of shares held and "Director participation for" at >35% of shares held.
- Board of Directors:** A table listing board members with columns for Independent status, Age, Director Since, Audit Committee membership, and Nominating Committee membership.
- Recommendations:** A table with columns for "Board Recommendation" and "Page Reference", listing various proposals and their corresponding page numbers.
- Products and Services Innovation:** A list of key product milestones, such as the launch of the first M3 chip and the debut of the Apple Vision Pro.
- Environmental and Social Governance (ESG):** A section detailing Apple's commitment to environmental and social responsibility, including its "Green" initiatives.



Key Examples

ServiceNow 2024 Proxy Statement

Uses bold graphics; covers key topics, including shareholder engagement following lower than usual SOP vote; provides a comprehensive voting roadmap

Proxy Statement Summary

This summary highlights information contained elsewhere in this Proxy Statement. We recommend you read this Proxy Statement fully before voting.

2023 Business Highlights

2023 was another year of tremendous year-over-year growth for ServiceNow, continuing our performance despite an uneven macroeconomic environment and significant market volatility, primarily in our sector.

Achieving Strong Growth and Profitability

Subscription Revenues and Renewal Rate

Subscription Revenues 26% FY23 Growth Y/Y

Subscription Revenues **\$8.65B**

Subscription Revenues **26% FY23 Growth Y/Y**

2022: \$6.99B

2021: \$5.57B

98% Industry Renewal Rate* 5 Years in a Row

Total Revenues

\$8.97 Billion

Total Revenues Growth Y/Y: **24%**

2023 Proxy Fees: **12%***

Non-GAAP Operating Margin and Non-GAAP Operating Income Growth**

28% Non-GAAP Operating Margin

2023 Proxy Fees: **23%***

Free Cash Flow**

\$2.73 Billion

Free Cash Flow Margin: **30%**

FCF Growth Y/Y: **25%**

2023 Proxy Fees: **14%***

2024 Proxy Statement 1

ServiceNow's Board of Directors

ServiceNow is overseen by directors with the breadth and depth of expertise necessary to guide our business strategy independent, with diverse backgrounds, experience and perspectives.

Superior Shareholder Value

Over the past five years significantly outperformed our 2023 Proxy Fees and an and Analysis—Section 3—Compensation Tables and Practices—Rules and of our 2023 Proxy Fees.

12/31/2023

10% S&P 500

9% 2023 Proxy Fees

12/31/2023

10% S&P 500

9% 2023 Proxy Fees

Since as of December 31, 2023, Proxy Fees only include publicly-traded companies as of

Partnerships & Alliances

Accelerated Generative AI (GenAI) for the enterprise with NVIDIA partnership

Expanded AI partnerships with EY, Accenture, KPMG, Cognizant and DIC.

Culture & Awards

- Increased our employee headcount by 50.9% in 2023 with no layoffs
- Recognized as one of Fortune's World's Best Workplaces - one of only 25 companies to make this list
- Ranked #1 on Glassdoor's Best Places to Work US Large Companies 2023, and #1 in enterprise software
- Named #5 overall on the 2023 American Opportunity Index
- Scored a perfect 100 rating in the Human Rights Campaign's Equality 100 Award for the fourth year in a row; Leaders in LGBTQ+ Workplace Inclusion

2024 Proxy Statement 3

Shareholder Engagement

We are committed to robust shareholder engagement

Over the past year to better understand their priorities and perspectives on ESG and performance, corporate governance, executive compensation, outreach efforts are led by our Compensation Committee Chair and Global I. In connection with our 2023 Annual Meeting and through early 2024, we, in some instances, held multiple meetings with certain investors. Our ad in approximately half of our engagements.

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51%

of our outstanding shares

engagement program is supplemented by our Investor Relations team, officer, Chief Operating Officer and Chief Financial Officer, engaging with our quarterly earnings calls, investor conferences, user-group meetings and office. We also use multiple communication channels to interact with our retail of periodic updates to our website.

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60 years

36% Gender Diverse

18% Ethnically Diverse

2-49 years

50-60 years

61-70 years

1-70 years

4 Female

7 Male

2 Ethnically diverse

9 Non-diverse

2024 Proxy Statement 5

Executive Compensation

Our executive compensation program is designed to align with our pay-for-performance philosophy, drive achievement and to maximize value creation for all of our shareholders and other program that motivates and retains a talented and experienced leadership class.

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What We Did

- Eliminated overlapping metrics; NNACV metric in 2024 annual cash incentive plan only, previously in both annual cash incentive plan and PSUs.
- Lengthened PSU vesting period to three years from one year, following a one-year transition period.
- Extended PSU vesting period to three year cliff vesting from three year rollover vesting, following a one-year transition period.
- Retained relative total shareholder return ("TSR") modifier in PSUs.

What We Also Did

- No mid-year modifications were made to 2023 executive compensation program metrics, including 2023 PSD Awards.
- Multiplied commitment to an additional one-time equity awards of any variety to any NEO holding a 2023 PSD Award with an ongoing performance period, except in connection with promotions.
- Provided an update on the 2023 PSD Awards payout.
- Redesigned full Proxy Statement, including Compensation Discussion and Analysis to enhance overall readability.

2024 Proxy Statement 7

1 See Compensation Discussion and Analysis—Section 2—2023 Executive Compensation—2023 Annual Cash Incentive for a definition of NNACV.
 2 Rule 101(b) is applied to free cash flow through the subscription revenue growth rate for the year ended December 31, 2023. See Appendix A for a reconciliation of GAAP to free cash flow metrics and other information.
 3 The Amazon Opportunity Index, a scorecard for worker advancement, assesses America's largest companies on their ability to maximize career paths to drive business performance and included employee growth.

4 New Lead Independent Director appointment effective as of the 2024 Annual Meeting, subject to her re-election as director.
 5 Reflects service on other public company boards.



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Key Examples

KBR 2024 Proxy Statement

Proxy summary includes business and financial highlights, sustainability highlights, unique governance highlights, and compensation highlights with a specific pay mix graphic for each NEO

Proxy Summary

Business Highlights

\$10.5B Booked and options awarded in 2023 - provides greater visibility of long-term growth targets

1.1x Trading twelve-month book-to-bill as of December 31, 2023

\$331MM Operating cash flow generated in 2023

>75% Work under contract for 2024

Launched Sustainable Aviation Fuel (SAF) Technology
KBR partnered with Swedish Biofuels AB to extend our decarbonization and energy innovation portfolio into the aviation sector with a differentiated SAF offering. In addition to increasing efficiency, this technology can also convert carbon dioxide and methane gas to SAF, thereby expanding opportunities for KBR clients to utilize captured carbon toward decarbonization, green aviation.

Carbon Neutral Since 2019
Our path toward operational net-zero carbon emissions by 2030. KBR's commitment to sustainability includes bringing our expertise to help others achieve their sustainability goals, thus creating value for all stakeholders.

H2ACT™ Hydrogen Technology Selected for World's First Commercial Ammonia Cracking Unit
KBR awarded a license and engineering design contract to Haverthwaite Construction for the world's first commercial ammonia cracking unit using HBR's leading H2ACT™ technology in Dorset, Dorset, UK. The plant will be designed to deliver over 200 metric tons per day of green hydrogen gas for use in a green ammonia plant in Dorset, paving the way for large-scale sustainable hydrogen utilization.

Proxy Summary

Sustainability Highlights

2023 Earnings per Share
\$1.16 (2022: \$1.08)

Operating Cash Flows
\$359.0M (+16% vs 2022) / \$309.0M

Adjusted Operating Cash Flows
\$424.8M (+9% vs 2022) / \$389.0M

2023 Earnings per Share
\$1.16 (-7% vs 2022) / \$1.25

Adjusted Operating Cash Flows
\$424.8M (+9% vs 2022) / \$389.0M

2024 Proxy Statement
\$72MM | 1st | 12.5%

Proxy Summary

Board Snapshot

8 Average Tenure

8 Independent

2 Directors are from the UK

2 Directors are veterans

Wendy Meszko is a former U.S. Senator

Wendy Meszko is a former U.S. Senator

28 Independent board committee meetings held in 2023

26 Executive sessions held in 2023 without management present

1 New independent board committee chair appointment in 2023

19

73

26

145

Proxy Summary

Compensation Highlights

2023 Compensation
\$1,591,000 (2022: \$1,396,000)

\$29,703 (2022: \$1,600,000) / \$1,676,706

\$644,396 (2022: \$1,250,000) / \$1,872,397

\$385,812 (2022: \$1,000,000) / \$1,382,087

\$466,272 (2022: \$300,000) / \$1,807,091

Base Salary | **STI** | **LTI**



Key Examples

Accenture 2023 Proxy Statement



Simple presentation that includes voting matters, information about the nominees, governance highlights, and compensation highlights, including a graphic showing the pay for performance alignment

Proxy Summary

This proxy summary highlights information contained elsewhere in this proxy statement, which is first being sent or made available to shareholders on or about December 15, 2023. This summary does not contain all of the information you should consider, so please read the entire proxy statement carefully before voting.

Items of Business

The following table summarizes the proposals to be voted upon at the 2024 Annual General Meeting of Shareholders to be held on January 31, 2024 (the "Annual Meeting"), and the Board's voting recommendations with respect to each proposal. The required approval is a majority of votes cast for Proposals 1-6 and 75% of votes cast for Proposals 7 and 8.

Proposals	Board Recommendation	Page
1 Appointment of Directors	FOR each nominee	42
2 Advisory Vote to Approve Executive Compensation	FOR	60
3 Approve Amended and Restated Accenture plc 2030 Share Incentive Plan	FOR	99
4 Approve Amended and Restated Accenture plc 2030 Employee Share Purchase Plan	FOR	108
5 Ratify the Appointment and Approve Remuneration of Auditor	FOR	117
6 Grant Board Authority to Issue Shares	FOR	120
7 Grant Board Authority to Opt Out of Pre-emption Rights	FOR	121
8 Determine Price Range for the Buy-Back of Treasury Shares	FOR	123

Director Nominee Highlights

Nominee Diversity

of 11 female and 3 male nominees

Occupation	Age	Director since	Committee Memberships	Other Public Company Boards ⁽¹⁾
EVF and President, motors, Motors Company	68	2013	Audit, Finance (C), Nominating, Governance & Sustainability	2
Chairman of the Board, BASF SE	62	Nominee	Audit	1
CEO, Unilever plc	59	2023	Nominating, Governance & Sustainability	0
Chairman of the Board, Kiewit N.V.	64	2016	Compensation, Culture & People (C), Nominating, Governance & Sustainability	1
Chairman & CEO, 1	68	2021	Compensation, Culture & People, Finance	2
Chairman & CEO, ip	66	2012	Nominating, Governance & Sustainability	0
CEO, Mevya, Inc.	62	2014	Audit (C), Compensation, Culture & People	2
Chief Engineering Intel Corporation	58	2018	Audit, Finance	0
CEO, Group plc	69	2015	Compensation, Culture & People, Nominating, Governance & Sustainability (C)	2
CEO, re plc	56	2019	—	0
Chairman & CEO, Essie Lãudor Inc.	61	2017	Audit, Finance	1

Nominee Experience

- 15/11 Senior Leadership Experience
- 9/11 Public Company Board Experience
- 10/11 Chief Executive
- 10/11 Finance, Accounting and Risk Management
- 10/11 Innovation and Technology
- 11/11 Investment Expertise
- 10/11 Government and Regulatory

Range of Tenure

6.1 years average tenure

Compensation Highlights

Consistent with our pay-for-performance philosophy, 2023 compensation decisions were aligned with our strong financial performance in fiscal 2023, as described further under "Executive Discussion and Analysis—Fiscal 2023 Compensation Decisions."

Executive Officers

Executive Officers Compensation—Performance Objectives Used in Evaluations: We also use two primary equity compensation programs for our named executive officers: the Key Executive Performance Share Program, which rewards achievement over a prospective three-year performance period, and the Accenture Leadership Performance Equity Award Program, which rewards executives for performance in the preceding fiscal year. The following reflects compensation elements approved by the Compensation, Culture & People Committee in recognition of our named executive officers' achievements during fiscal 2023.

Other NEOs⁽²⁾

Compensation Practices

The Compensation, Culture & People Committee oversees the design and administration of the Company's compensation programs. The Compensation, Culture & People Committee believes that a well-designed, consistently applied compensation program is fundamental to the long-term creation of shared success—

- Include caps on individual payouts in short- and long-term incentive plans
- Maintain clawback policies applicable to cash and equity incentive awards (including both time- and performance-based)
- Mitigate potential dilutive effects of equity awards through our share repurchase programs
- Hold an annual "pay-on-pay" advisory vote
- Conduct annual compensation risk review and assessment
- Retain an independent compensation consultant
- No dividends or dividend equivalents paid until vesting
- No hedging or pledging of Company shares
- No supplemental executive retirement plan



Key Examples

Rockwell Automation 2024 Proxy Statement

Focuses on the basics: voting matters; governance highlights; board composition, skills, and diversity; and executive compensation elements and pay mix

PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find further information in this proxy statement.

VOTING MATTERS

We are asking you to vote on the following proposals at the Annual Meeting:

ITEM	BOARD RECOMMENDATION	PAGE
Item 1: Election as directors of the two nominees named in this proxy statement	FOR each nominee	24
Item 2: Advisory vote to approve the composition of our named executive officers	FOR	34
Item 3: Vote to approve the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2024	FOR	66

BOARD AND GOVERNANCE HIGHLIGHTS

- All directors and nominees are independent except our Chairman
- Our Lead Independent Director's responsibilities are outlined in a Lead Independent Director Charter
- Balanced director tenure with five directors with six years or less of service
- Director term limits and mandatory retirement policy
- Balanced director ages with four directors under age 60
- Diverse Board, with four female directors and two African-American directors
- Highly engaged Board with two directors each having missed one Committee meeting
- Annual Board Committee, individual director, and Lead Independent Director evaluations and assessment of Board leadership structure
- By-laws provide for proxy access by shareholders
- Code of Conduct for all employees and directors, with Board oversight of Code of Conduct matters relating to senior officers and directors
- Stock ownership requirements for officers and directors
- Anti-hedging and anti-pledging policies for officers and directors
- Ethics training annually for all employees and directors
- Long-standing commitment to corporate responsibility and sustainability
- Active shareholder outreach and engagement

ROCKWELL AUTOMATION | FY2023 PROXY STATEMENT | 1

PROXY SUMMARY

SUMMARY OF BOARD COMPOSITION

The following chart highlights Board composition and certain key attributes of our director nominees and continuing directors on the Board. Additional information about each director's experience and qualifications is set forth in their profiles.

Committee Membership	Griffin	Jolla	Keane	Pickett	Murphy	Pickett	Payne	Rodanilla	Stockert	Weston
Audit										
Compensation and Talent Management										
Board Composition and Corporate Governance										
Technology										
Lead Independent Director										
Director Governance Information										
Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tenure	3	1	12	7	4	15	8	7	2	6
Other Public Company Boards	1	0	0	0	1	2	1	0	0	0
Terms Expiring	2026	Nominee	2025	2025	2026	2026	Nominee	2025	2026	2025
Demographics										
Age	68	58	64	61	50	71	65	62	57	57
Race/Ethnicity										
African-American/African-American/Black	✓									
Gender										
Female	✓									
Male		✓	✓	✓	✓	✓	✓	✓	✓	✓
Chair	✓									

CURRENT DIRECTOR HIGHLIGHTS

AGE
 40-49: 4
 50-59: 2
 60-69: 2
 70-79: 1
 80+: 0
 AVERAGE AGE: 61.1

TENURE
 0-4 years: 4
 5-9 years: 4
 10+ years: 2
 AVERAGE TENURE: 6.5

DIVERSITY
 50% DIVERSE
 1 African-American Man
 1 African-American Woman
 1 White Men

DIRECTOR EXPERIENCE

Industry/Operational/Manufacturing	Sales & Marketing	Risk and Governance
10	4	10
6	6	6
6	6	6

ATTENDANCE RATE PER DIRECTOR BY FY23

8 directors attended every meeting
 2 directors each missed one committee meeting

ROCKWELL AUTOMATION | FY2023 PROXY STATEMENT | 2

PROXY SUMMARY

EXECUTIVE COMPENSATION

Our compensation philosophy is designed to attract, retain, and motivate the high caliber executive talent necessary to deliver long term and sustained performance to our shareholders, customers, and other stakeholders. The philosophy is implemented through our executive compensation programs that provide flexible and effective total compensation opportunities relative to our corporate performance and are aligned with shareholder interests as discussed further in the Compensation Discussion & Analysis section. Our executive compensation program includes:

Element	Form of Award	Description	Period	2023 Total Target Direct Compensation Mix	
				CEO	Other NEOs
Base Salary	Cash	Competitive pay based on scope, experience, individual performance, and internal alignment.	One year	9%	18%
Annual Incentive (CFI)	Cash	Performance on four key financial goals with plus or minus adjustment up to 10% of target incentive for performance against strategic goals and cultural transformation across our four cultural tenets including: 1) strengthen our commitment to integrity, diversity, and inclusion; 2) the willingness to compare ourselves to best alternatives; 3) increase the speed of decision making; and 4) have a steady stream of fresh ideas. Additionally, positive or negative adjustments can be made for segment, team, and individual performance. Actual payouts can range from zero to 200% of target incentive.	One year	14%	18%
Long-Term Incentive (LTI)	Performance Shares (40%) Stock Options (30%) Restricted Stock Units (30%)	Realized value based on TSR performance relative to the S&P 500 Selected SICS Groups (Capital Goods, Software & Services, Technology, Hardware & Equipment). Payout can range from zero to 200% of target. Realized value based on appreciation in stock price relative to original grant price. Appreciation can be realized during the ten-year life of the award. Realized value based on our stock price performance	Vest after three years Vest over three years in three equal annual installments Vest over three years in three equal annual installments	77%	68%

ROCKWELL AUTOMATION | FY2023 PROXY STATEMENT | 3



Board of Directors

This section includes:

52 Approach to Board of Directors

54 Director Nominee "List"

57 Board Demographic Snapshot

61 Board Diversity

65 Board Skills, Experience, and Qualifications

72 Board Nomination Policies and Practices

80 Biographies



2024 Proxy Statement Corporate Governance

Our Director Nominees

The Director Nominees at a Glance

Name and Principal Occupation	Black/African American	Hispanic/Latino	Pacific Islander	White/Caucasian	Gender	Age	Tenure (years)	Board Committees	Number of Other Public Companies	Skills and Experiences							
										Financial Services	Risk Management	Accounting and Technology and/or Cybersecurity	Global Perspective	Complex, Highly Regulated Businesses	Sustainability	Succession Planning and Human Capital Management	Government, Public Policy and Regulatory Affairs
Thomas J. Wilson Chair, President and CEO of The Allstate Corporation	•	•	•	•	M	66	17	E	0	•	•	•	•	•	•	•	•
Gregg M. Sherrill Independent Lead Director Former Chair and CEO of Terreno, Inc.	•	•	•	•	M	71	6	N	1	•	•	•	•	•	•	•	•
Donald E. Brown Former Executive Vice President and Chief Innovation Officer of NSource, Inc.	•	•	•	•	M	52	4	A	0	•	•	•	•	•	•	•	•
Kermit R. Crawford Former President and Chief Operating Officer of Rite Aid Corporation	•	•	•	•	M	64	11	A	2	•	•	•	•	•	•	•	•
Richard T. Hume CEO of TD SYNNEX	•	•	•	•	M	64	4	C	1	•	•	•	•	•	•	•	•
Margaret M. Keane Former Chair, CEO and President of Synchrony Financial	•	•	•	•	F	64	6	C	1	•	•	•	•	•	•	•	•
Sudharth N. (Bobby) Mehta Former President and CEO of TransUnion	•	•	•	•	M	65	10	R	2	•	•	•	•	•	•	•	•
Marla Morris Former EVP and Head of Global Biotech at Merck	•	•	•	•	F	61	<1	•	2	•	•	•	•	•	•	•	•
Jacques P. Pareld Former President of Fidelity Management & Research Company	•	•	•	•	M	65	8	A	1	•	•	•	•	•	•	•	•
Andrea Redmond Former Managing Director of Russell Reynolds Associates Inc.	•	•	•	•	F	68	14	C	0	•	•	•	•	•	•	•	•
Judith A. Sprieser Former CEO of Itarsion Inc. and senior executive at Sara Lee Corporation	•	•	•	•	F	70	24	C	2	•	•	•	•	•	•	•	•
Perry M. Traquina Former Chairman, CEO and Managing Partner of Wellington Management Company, LLP	•	•	•	•	M	67	7	C	2	•	•	•	•	•	•	•	•
Monica Turner President, North America at Procter & Gamble	•	•	•	•	F	58	1	A	0	•	•	•	•	•	•	•	•

Legend: **A** Audit Committee, **C** Compensation and Human Capital Committee, **E** Executive Committee, **N** Nominating, Governance and Social Responsibility Committee, **R** Risk and Return Committee

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2024 Proxy Statement Corporate Governance

Director Biographies

Donald E. Brown
Independent
Age 52

Director since 2020 (4 years of tenure)

Professional Experience

- Former Executive Vice President and Chief Innovation Officer of NSource, Inc., a highly regulated natural gas and electric utilities company serving customers across multiple states.
- Former EVP and CFO of NSource, Inc.

Other Public Board Service

- None

Attendance at Board/Committee Meetings
2023

Key Experience and Qualifications

Risk Management: Overall responsibility for identifying and evaluating financial risks, processes and determining steps to mitigate those risks during tenure at NSource.

Accounting and Finance: Significant financial and accounting experience leading the financial operations of one of the largest utility companies in the country.

Technology and/or Cybersecurity: In-depth understanding of technological advancements and operational transformation to enhance the customer experience.

Complex, Highly Regulated Businesses: Regulatory expertise with in the heavily regulated utilities industry.

Sustainability: Experience developing and leading transition to a less carbon-intensive business model.

Succession Planning and Human Capital Management: Responsibilities as senior leader at NSource included oversight of employee recruitment, development and retention, as well as leadership of large teams.

Innovation and Customer Focus: Experience overseeing business focused on delivering safe, reliable and efficient services to customers and communities.

Government, Public Policy and Regulatory Affairs: Deep understanding of compliance and governmental requirements as a senior leader of one of the largest fully regulated utility companies in the United States.

Committee Assignments and Rationale

- A Audit Committee**
 - Multiple leadership positions with financial oversight responsibility, including as former CFO at NSource.
- N Nominating, Governance and Social Responsibility Committee**
 - Management and leadership experience as senior leader of NSource, including oversight of employee talent and retention programs.
 - Experience leading climate strategies for large gas and electric company.

Director since 2018 (11 years of tenure)

Professional Experience

- Former President and Chief Operating Officer of Rite Aid Corporation, which operates one of the leading retail drugstore chains in the United States.
- Former Executive Vice President and President, Pharmacy, Health and Wellness for Walgreens Co., which operates one of the largest drugstore chains in the United States.
- Former Director of Transition and LifePoint Health.

Other Public Board Service

- C.H. Robinson (2020-present)
- Vista (2022-present)

Attendance at Board/Committee Meetings
2/21

Key Experience and Qualifications

Risk Management: Deep understanding of consumer experience and insights, and extensive experience in business strategy and risk management.

Accounting and Finance: Responsible for all operational aspects of large drugstore chains throughout the country, including financial results.

Technology and/or Cybersecurity: Effectively led operational changes, reducing through the use of technology.

Complex, Highly Regulated Businesses: Expertise assessing the strategies and performance of a geographically diversified and consumer-focused service business in a highly competitive industry.

Sustainability: Over 30 years of operational experience included driving sustainability initiatives. Experience also gained as current chair of governance committee at another public company.

Succession Planning and Human Capital Management: Responsibilities as senior leader at leading retail drugstore chains included leadership of large divisions and human capital priorities and culture.

Innovation and Customer Focus: Effectively oversee transition of pharmacy experience from a model focused primarily on drug delivery to a pharmacist-patient-centric model.

Government, Public Policy and Regulatory Affairs: Understanding of legal and regulatory requirements relevant for large, public companies to ensure compliance.

Committee Assignments and Rationale

- A Audit Committee (Chair)**
 - Responsibility for all aspects of strategic, operational and profit and loss management of two of the largest drugstore chains in the United States.
 - Board leadership and seven years tenure on Allstate Board.
 - Current member of the audit committee at Vista and former member of the audit committees at TransUnion and LifePoint Health.
- R Risk and Return Committee**
 - Operational experience at large, geographically dispersed service organizations
 - Chair of Allstate audit committee.

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Approach to Board of Directors

Board disclosures should focus on information that a shareholder needs to make an informed voting decision. The presentation should demonstrate a thoughtful approach to a “balanced” Board in terms of mix of experience, background and individual attributes, as well as ongoing composition reviews and Board evaluations. Top of mind for most shareholders is whether the directors have the appropriate skillset to oversee the company’s strategy and drive shareholder value creation.

Investor Perspective: Board of Directors

BlackRock (U.S., 1/25)

In order to help investors understand a company’s approach to board composition, we ask boards to disclose, in a manner consistent with local laws: **How candidates for board positions are identified . . . How directors’ professional characteristics**, which may include domain expertise such as finance or technology, and sector-or market-specific experience, **are complementary and link to the company’s long-term strategy** [and] **How diversity, including professional and personal characteristics, is considered in board composition, given the company’s long-term strategy and business model.**

State Street (Global, 3/24)

We view board quality as a measure of director independence, director succession planning, board diversity, evaluations and refreshment, and company governance practices. . . We also believe the **right mix of skills, independence, diversity, and qualifications** among directors provides boards with the **knowledge and direct experience to manage risks and operating structures that are often complex and industry-specific.**

We believe **effective board oversight of a company’s long-term business strategy necessitates a diversity of perspectives, especially in terms of gender, race and ethnicity.**

We may withhold votes from directors if overall average board tenure is excessive. In assessing excessive tenure, **we consider factors such as the preponderance of long tenured directors, board refreshment practices, and classified board structures.**

Boards should also have a regular evaluation process in place to **assess the effectiveness of the board and the skills of board members to address issues, such as emerging risks, changes to corporate strategy, and diversification of operations and geographic footprint.**



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Investor Perspective: Board of Directors

Vanguard (U.S., 2/24)

The funds believe that the **appropriate mix of skills, experience, and characteristics is unique to each board and should reflect expertise related to the company's strategy and material risks from a variety of vantage points.**

Boards should take action to reflect a **board composition that is appropriately representative**, relative to their markets and to the needs of their long-term strategies.

Disclosure of directors' **personal characteristics (such as race and ethnicity)** should occur on a self-identified basis and may occur on an **aggregate level or individual director level**. Disclosure of **skills and experience at the director level is expected.**

Companies should provide disclosure regarding their process for evaluating the composition and effectiveness of their board on a regular basis, the **identification of gaps and opportunities to be addressed through board refreshment and evolution**, and a **robust nomination (and re-nomination) process** to ensure the right mix of skills, experience, perspective, and personal characteristics into the future.

ISS (U.S. 1/25)

Companies should ensure that directors add value to the board through their specific skills and expertise and by having sufficient time and commitment to serve effectively. Boards should be of a size appropriate to accommodate diversity, expertise, and independence, while ensuring active and collaborative participation by all members. **Boards should be sufficiently diverse to ensure consideration of a wide range of perspectives.**

Glass Lewis (U.S. 2025)

Because company disclosure is critical when measuring the mix of diverse attributes and skills of directors, Glass Lewis assesses the quality of such disclosure in companies' proxy statements. Accordingly, we reflect how a company's proxy statement presents: (i) the **board's current percentage of racial/ethnic diversity**; (ii) whether the board's **definition of diversity explicitly includes gender and/or race/ethnicity**; (iii) whether the board has adopted a policy requiring women and minorities to be included in the initial pool of candidates when selecting new director nominees (aka "**Rooney Rule**"); and (iv) **board skills disclosure**. Such ratings will help inform our assessment of a company's overall governance and may be a contributing factor in our recommendations when additional board-related concerns have been identified.

At companies in the Russell 1000 index that have not provided any disclosure in any of the above categories, we will generally recommend voting against the chair of the nominating and/or governance committee. Further, when companies in the Russell 1000 **index have not provided any disclosure of individual or aggregate racial/ethnic minority board demographic information, we will generally recommend voting against the chair of the nominating and/or governance committee.**



Director Nominee “List”

The SEC requires companies to provide a variety of details about their directors and board nominees, including each individual’s name, age, tenure (if already a director), and principal occupation, as well as experience, qualifications, and attributes that make that person qualified to serve. Over the past decade, as proxy summaries have become common, many companies have incorporated a director list that includes many of these details into that section. These lists are helpful to show some of the key attributes of the incumbent directors and nominees in one place. Companies often supplement their lists with aggregated demographics to provide a board “snapshot.”

What to Think About

A director “list” addresses investor interest in assessing the composition of the board as a whole to ensure an appropriate balance of skills, expertise, and personal characteristics. This information, in a condensed easy-to-read format, supplements the detailed board biographies that provide more insight into the individual nominees. While most companies include a director list in the proxy summary, others opt to use a list as a prelude to the biographies.

Labrador Transparency Award Criteria

- The proxy summary or the introduction to the election of directors proposal includes a board summary matrix, table, graphics, or other visual elements that names all directors and includes, at a minimum: each director’s primary occupation; age; independence; tenure; and committee membership(s).

In the past, director lists typically were just that--lists, generally in a table format. However, many proxies now offer a more dynamic view of the board, including photos and graphics.

The level of detail provided for each director varies by company, although name, primary occupation, tenure, committee memberships, age, and independence are

consistent data points. Some companies also include the number of other directorships, key skills, and meeting attendance rates. Often this summarized information requires only one page.

As a general recommendation, Labrador favors a clean, easily digestible director overview—avoiding clutter, especially where more detail is found on nearby pages.



Benchmarking

Director Nominee List

42.0%

The proxy summary or the introduction to the election of directors proposal includes a board summary matrix, table, graphics, or other visual elements that names all directors and includes, at a minimum: each director's primary occupation; age; independence; tenure; and committee membership(s)

Key Examples

Raytheon 2024 Proxy Statement

Combines nominee list with skills matrix

PROXY SUMMARY | GOVERNANCE AND BOARD OVERVIEW

Governance and Board Overview

BOARD NOMINEES

Director Name	Other Public Boards	Skills and Expertise										Diversity			
		Financial	Government	International	Operational/Industry	Risk Management/Compliance	Senior Leadership	Technology/Information Systems	Manufacturing/Supply Chain	White	Black/African American	Other			
Tracy A. Aikerson Retired Executive Vice President & Chief Administrative Officer, State Street Corporation	2020 3	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Christopher T. Calio President & Chief Operating Officer, RTX Corporation	2023 0	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Laetina G. Carat Retired Executive Vice President, The Boeing Company and former CEO, Boeing Defense, Space and Security	2023 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Bernard A. Harris, Jr. Chief Executive Officer and Managing Partner, Vostok Ventures, Inc.	2021 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Gregory J. Hayes Chairman & Chief Executive Officer, RTX Corporation	2014 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
George R. Dilber Chairman & Chief Executive Officer, Johnson Controls International plc	2020 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Robert K. (Kelly) Orberg Retired Chairman, President & Chief Executive Officer, Rockwell Collins, Inc.	2020 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Ellen M. Pawlikowski General, U.S. Air Force (Retired) and Former Commander, Air Force Materiel Command	2020 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Denise L. Remoe Retired Chief Executive Officer & President, ITT Inc.	2018 2	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Fredric G. Reynolds Retired Executive Vice President & Chief Financial Officer, CBS Corporation	2016 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Brian C. Rogers Retired Chairman, T. Rowe Price Group, Inc.	2016 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
James A. Whitcomb, Jr. Admiral, U.S. Navy (Retired) and Former Vice Chairman of the Joint Chiefs of Staff	2020 1	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Robert O. Work Retired Deputy Secretary of Defense, U.S. Department of Defense	2020 0	■	■	■	■	■	■	■	■	■	■	■	■	■	■

7 Women
10 Men

RTX 2024 PROXY STATEMENT 7

Moderna 2024 Proxy Statement

Standard format

Proxy Summary

Proposal 1: Director Nominees

At the Annual Meeting, three Class III directors will be elected for a three-year term. The Class III directors up for election are set forth below.

Name	Age	Independent	Principal occupation	Committees*			Other public boards	Director since
				Audit	Comp	Nom Gov		
Class III directors nominated for re-election for a three-year term								
Robert Longue, Sc.D.	75	☑	David H. Koch Institute Professor, M.F. Academic Co-founder, Moderna	☑	☑	☑	2	2010
Elisabeth Nabel, M.D.	72	☑	Former President, Brigham Health	☑	☑	☑	3	2013**
Elisabeth Tallett	74	☑	Former Principal, Hunter Partners	☑	☑	☑	2	2020
Continuing directors								
Noubar Aleyran, Ph.D., Chairman	61	☑	CEO, Flagship Pioneering; Co-founder and Chairman, Moderna	☑	☑	☑	0	2010 Chairman since 2012
Séraphine Banciel	51	☑	Chief Executive Officer, Moderna	☑	☑	☑	0	2011
Stephen Beeson	63	☑	Managing Partner, Flagship Pioneering	☑	☑	☑	1	2017
Sandra Hanning, M.D.	75	☑	Former Chief Medical Officer and Global Head of Product Development, Roche	☑	☑	☑	3	2020
François Nadez, M.D.	67	☑	Former President, CEO and Executive Director, NPS Pharmaceuticals	☑	☑	☑	1	2019
Paul Sagan	65	☑	Catalyst Advisor, General Catalyst	☑	☑	☑	0	2018

☑ Chairman ☑ Member

* Comp = Compensation and Talent; Nom Gov = Nominating and Corporate Governance; Prod Dev = Product Development; Sci Tech = Science and Technology

** Dr. Nabel was a member of our Board from December 2010 to July 2020, and returned to the Board in March 2021, following her retirement from Brigham Health.

4 | Moderna 2024 Proxy Statement



Key Examples

Cardinal Health 2023 Proxy Statement

Standard format but adds small headshots and some aggregated demographic information

Flowserve 2024 Proxy Statement

Non-traditional format with lots of aggregated demographic information

Verizon 2024 Proxy Statement

Variation of standard format with headshots at top and key skills

Frontdoor 2024 Proxy Statement

Non-traditional format with larger headshots

PROXY SUMMARY
Our 2023 Board Nominees

11 Nominees | 10 Independent | 6 Female | 3 Racially/ethnically diverse | 62 years Average age | 5 years Average tenure

Nominee	Age	Occupation	Director Since	Independent	A	B ⁽¹⁾	C ⁽²⁾	D ⁽³⁾	E ⁽⁴⁾	F ⁽⁵⁾	G ⁽⁶⁾	H ⁽⁷⁾
Steven K. Berg	61	Global Head of Engagement, Elliott Management Corporation	2022	☑								
Michelle M. Brennan	58	Retired Value Creation Leader, Johnson & Johnson	2022	☑								
Susha Chandrasekaran	56	Retired Senior EVP and Chief Digital and Information Officer, CommonSpirit Health	2022	☑								
Shari H. Edison	66	Retired EVP and General Counsel, Amcor plc	2020	☑								
David C. Evans	60	Retired EVP and CFO, Scotts Miracle-Gro Company and Battelle Memorial Institute	2020	☑								
Patricia A. Henington-Hall	70	Retired President and CEO, Health Care Service Corporation	2013	☑								
Jason M. Heller	50	CEO, Cardinal Health, Inc.	2022		☑							
Akhil Jhoni	62	Operating Advisor to Clayton, Dubilier & Rice; Retired EVP and CFO, United Technologies Corporation	2018	☑								
Gregory B. Kenry	70	Retired President and CEO, General Cable Corporation	2017	☑								
Nancy Kilbier	69	Retired Senior Partner, Public Sector Practice, McKinsey & Company, Inc.	2005	☑								
Christine A. Mundkur	54	Retired CEO, Inppharma Inc.	2022	☑								

Key: ☑ Chairman of the Board; ● Chair; ● A: Audit; ● B: Business Review; ● C: Human Resources and Compensation; ● D: Governance and Sustainability; ● E: Risk Oversight; ● F: Technology, Risk and Finance Committee; ● G: Organization and Compensation Committee; ● H: Valuers Status

(1) The Business Review Committee was formed on September 6, 2022 under the cooperation agreement that the company entered into with Elliott Associates, LP, and Elliott Investment II, LP. On May 3, 2023, the terms of the Business Review Committee were extended until June 15, 2024.
(2) Current Human Resources and Compensation Committee Chair and Governance and Sustainability Committee member Darin S. Cox has declined to stand for re-election at the Annual Meeting. Mr. Cox will continue to serve as the Human Resources and Compensation Committee Chair through the November quarterly meeting following which a new Committee Chair will be appointed. Current Governance and Sustainability Committee and Risk Oversight Committee member Bruce L. Downey was not nominated for re-election because he has reached the director retirement age of 75.
(3) As Chairman of the Board, Mr. Roberts rotates between committee meetings and serves as an alternate committee member for all committees, as needed.

CARDINALHEALTH 2023 Proxy Statement | 7

PROXY SUMMARY
This summary highlights information contained elsewhere in the proxy statement. This summary does not contain all the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find additional information in the proxy statement.

Board Nominees (Page 16)

DAVID E. ROBERTS Independent Chairman Age: 63 Director since 2014 Committee: * Other Public Company Boards: None	R. SCOTT ROWE President & CEO, Reserve Age: 53 Director since 2017 Committee: * Other Public Company Boards: 1	SUJEET CHAND Independent Age: 59 Director since 2019 Committee: * Other Public Company Boards: 2
RUBY R. CHANDY Independent Age: 62 Director since 2017 Committee: * Other Public Company Boards: 2	GAYLA J. DELLY Independent Age: 64 Director since 2018 Committee: * Other Public Company Boards: 2	JOHN L. GARRISON Independent Age: 67 Director since 2018 Committee: * Other Public Company Boards: None
CHERYL H. JOHNSON Independent Age: 62 Director since 2023 Committee: * Other Public Company Boards: None	MICHAEL C. McMURRAY Independent Age: 65 Director since 2019 Committee: * Other Public Company Boards: None	THOMAS B. OKRAY Independent Age: 63 Director since 2023 Committee: * Other Public Company Boards: 1
KENNETH I. SIEGEL Independent Age: 67 Director since 2022 Committee: * Other Public Company Boards: 2	CARLYN R. TAYLOR Independent Age: 59 Director since 2020 Committee: * Other Public Company Boards: 1	

DIRECTOR HIGHLIGHTS
11 NOMINEES
61.5 YEARS AVERAGE AGE | 5.82 YEARS AVERAGE TENURE
45% Non-Executives | 55% Executives
DIVERSITY: 45% Non-Executives, 55% Executives

DIRECTOR EXPERIENCE
11 years of industry experience
11 years of public company experience
11 years of executive experience
11 years of board experience

2024 PROXY STATEMENT

Verizon 2024 Proxy Statement

Our nominees at a glance

Name	Audit	Corporate Governance and Policy	Finance	Human Resources	Key skills and experience
Shelby Archaibeau	☑	☑	☑	☑	Marketing and brand management; Risk management; Technology
Roxanne Austin	☑	☑	☑	☑	Cybersecurity; Financial expertise; Strategic planning
Mark Bertolini	☑	☑	☑	☑	Financial expertise; Regulatory/public policy; Strategic planning
Victorio Colao	☑	☑	☑	☑	Financial expertise; Regulatory/public policy; Strategic planning
Laxman Narasimhan	☑	☑	☑	☑	Financial expertise; Regulatory/public policy; Strategic planning
Clarence Otis, Jr.	☑	☑	☑	☑	Financial expertise; Regulatory/public policy; Strategic planning
Daniel Schulman	☑	☑	☑	☑	Cybersecurity; Strategic planning; Technology
Rubey Slater	☑	☑	☑	☑	Regulatory/public policy; Risk management; Strategic planning
Carol Tonne	☑	☑	☑	☑	Regulatory/public policy; Risk management; Strategic planning
Hans Vestberg	☑	☑	☑	☑	Strategic planning; Technology; Telecommunications

* Committee memberships are as of March 25, 2024.
☑ Independent; ☑ Committee Chair; ☑ Audit Committee Financial Expert

Proxy Highlights and Summary
Our Director Nominees

You are being asked to vote on the election of the nine directors listed below. Directors are elected by a majority of the votes cast. Detailed information about each director's background, skills and experience can be found in "Proposals 1, Election of Directors."

HIGHLIGHTS
33% WOMEN
44% UNDERREPRESENTED MINORITIES
17% WOMEN AND UNDERREPRESENTED MINORITIES

DIRECTOR NOMINEES

Name	Age	Independent	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
William C. Cobb ⁽²⁾	67	No			
Lara H. Balazs ⁽³⁾	54	Yes			M
D. Steve Boland	55	Yes			M
Anna C. Catalano	64	Yes		C	
Peter L. Colla	66	Yes	M		M
Christopher L. Clippert	55	Yes	C		
Badrinarayan A. Ganesh ⁽⁴⁾	52	Yes			
Brian P. McAndrews ⁽⁴⁾	65	Yes			C
Liane J. Palfater	66	Yes	M	M	

M: Member; C: Chair
(1) Ms. Balazs was elected to the Board on October 24, 2023.
(2) Mr. Cobb serves as our CEO and Chairman of the Board of Directors in a combined role. In accordance with the Company's Corporate Governance Guidelines, which requires all members of the Nominating and Corporate Governance Committee to be independent, as defined therein, Mr. Cobb does not sit on any of the Board's committees.
(3) Dr. Ganesh was elected to the Board on July 28, 2023.
(4) Mr. McAndrews serves as Lead Director of the Board.

6 | frontdoor • 2024 Proxy Statement



Board Demographic Snapshot

The SEC requires companies to provide the age, tenure, and independent (or not) status of each individual director, but companies often include this information on an aggregated basis as well. The aggregated information typically appears in a series of eye-catching infographics that supplement the director nominee list and serve as a snapshot of the board.

What to Think About

Investors want to see that the mix of director nominees will form a “balanced” and effective board of directors. Historically, companies focused on age, tenure, and independence to demonstrate balance, but practices have evolved over the past decade. Now investors and other stakeholders also consider whether a board includes women and members of underrepresented groups. Diversity of thought, background, and experience also are believed to contribute to a board’s effectiveness.

As noted in the next section, proxies should include a qualitative discussion about how the nominating committee considers demographic factors when identifying potential directors. However, we also recommend providing a snapshot of the data--ideally in an easily digestible graphic format.

Labrador Transparency Award Criteria

- The proxy summary or introduction to election of directors proposal includes graphics presenting, at a minimum: tenures, genders, and race/ethnicities of the full board.

We believe that a series of infographics can quickly and effectively portray a balanced board with a range of ages, tenures, and diversity characteristics. Given that this information is critical to investors in assessing board effectiveness, we recommend placing these infographics either in the proxy summary or near the election of directors voting recommendation.

Here are some questions to consider:

- Does it make sense to combine information (such as grouping gender, race, and ethnicity together in a single graphic) or to provide detail about each characteristic?
- Are there unusual characteristics that are worth highlighting? For example, a science-based company may show the number of directors with PhDs, and a defense contractor may show the number of retired military officials on the board.
- Should the infographics show the board as it is or the board as it would be if all the nominees are elected?
- Should the infographics show how demographics have changed over time due to board refreshment efforts? This could be helpful to demonstrate a company’s commitment to improving board diversity.

Looking Ahead

As perceptions of diversity evolve and mature, companies may want to supplement common demographic disclosures with information about specific diversity characteristics. For example, some companies include infographics specifically detailing the number of LGBTQ+, veteran, or non-U.S. board members. When applicable, companies should also consider highlighting the diversity of the board chair, lead director, and committee chairs.



[Table of Contents](#) [Topic Table of Contents](#)

Benchmarking

Board Demographic Snapshot

81.0%

Snapshot of board demographics included



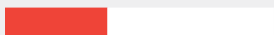
71.1%

Presented in proxy summary (out of 83 documents that include a proxy summary section)



39.0%

Presented at the beginning of the "election of directors" proposal



Demographic snapshot graphics

51.0%

Includes graphic highlighting director independence



76.0%

Includes graphic highlighting director gender metrics



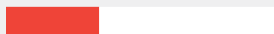
73.0%

Includes graphic highlighting director ethnicity metrics



35.0%

Includes graphic highlighting gender and ethnicity within the same graphic



78.0%

Includes graphic highlighting director tenure



79.5%

Tenure graphic presents distribution of tenure years



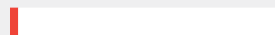
75.6%

Tenure graphic presents average year of tenure



3.8%

Tenure graphic presents median year of tenure



57.0%

Includes a graphic highlighting director age



77.2%

Age graphic presents average age



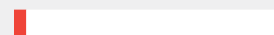
64.0%

Age graphic presents distribution of ages



5.3%

Age graphic presents median age



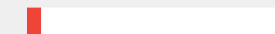
12.3%

Non-U.S. citizens/born outside U.S.



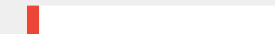
6.2%

New directors within the last 3 to 5 years



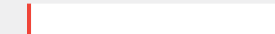
4.9%

Veterans



2.5%

Diversity in board leadership roles/committee chairs



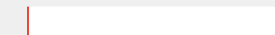
2.5%

Sexual orientation/LGBTQ+



1.2%

Directors with disability





Key Examples

Moderna 2024 Proxy Statement

A lot of information in a small amount of space, including meetings and attendance, skills, and the unique (but relevant for the company) qualification of an advanced science degree

KBR 2024 Proxy Statement

Includes a graphic breakdown of types of diversity

Etsy 2023 Proxy Statement



Includes LGBTQ+ and disability nominees

2024 Board Highlights

9 directors are independent, 8 are women, 3 have advanced degrees in a science field, 5 standing committees, 5 meetings in 2023, 96% board attendance.

Age
Average age 67

Tenure
Average tenure 8 years

Skills and Experience
Our directors represent a diverse range of skills and experience:

- CEO Experience
- Digital/Information Security
- Drug Development
- Drug Commercialization
- Healthcare Accounting
- Government/Regulatory
- Healthcare Industry
- Human Capital Management
- International Experience
- Investor Experience
- Manufacturing/Supply Chain
- Science/Technology/R&D

Board Highlights

In 2023, our Board of Directors contributed to Moderna's strategic advancement through its oversight of management's execution of our business plans and strategy. Advice and guidance from the full Board, and relevant Committees where applicable, was instrumental in the following key accomplishments, among others, in 2023.

Commercial Execution
2023 marked our first year of endemic commercial sales for our COVID-19 vaccine in the U.S., and we achieved retail market share of 48%, up significantly from 37% U.S. retail market share in 2022 (Source: IQVIA). Preparing for the launch enabled significant strategic investments and commercial execution decisions, which were guided by input from our Board. The Board has similarly also been heavily engaged in preparation for the anticipated launch of RSV in 2024, our second commercial product.

Pipeline Advancement
The Board and Product Development Committee oversee investments to advance our pipeline, such that by year-end 2023, nine of our 45 programs were late-stage, including seven programs in Phase 3 and two rare disease programs. This significant advancement of our programs lays the foundation for future growth.

Capital Allocation
The Board continued to oversee significant capital allocation decisions in 2023. This included investments in research & development to advance our pipeline, both internally and through external collaborations. It also included investments in our internal manufacturing capabilities in Newwood and Marlborough, the UK, Australia, and Canada, and the decision to sign lease our manufacturing footprint and to restructure our relationships with contract manufacturers as we seek to return our COVID-19 vaccine to profitability in 2024.

Board Succession
The Board and Nominating and Corporate Governance Committee are continuing to advance our board succession planning and recruitment of new directors who will bring additional expertise reflective of Moderna's future strategic plan and increased scale.

Governance Enhancements
In response to investor feedback, our Board approved several enhancements to our governance practices, including (i) the adoption of majority voting for uncontested director elections, (ii) the implementation of a proxy access bylaw, and (iii) requesting that shareholders approve the implementation of a right for shareholders to call a special meeting (see Proposal No. 4). We have also enhanced our processes for assessment and mitigation of potential conflicts of interest as we expand into new areas.

Human Capital and ESG Efforts
The Board and its committees oversee human capital and environmental, social and governance (ESG) initiatives. This included efforts to refine our talent strategy as we shift into an endemic market, focused on retention of key talent, development and performance management. ESG efforts included launching a double-materiality assessment and climate risk analysis, as well as contributing to enhance transparency through our annual ESG Report and ESG Day, and by publishing Scope 1, 2 and 3 data on greenhouse gas emissions, as well as waste and water statistics.

Board Snapshot

AGE
Average Age 67

TENURE
Average Tenure 8

INDEPENDENCE
8 Independent

DIVERSITY
56% Diversity

NATIONALITY
2 Directors are from the UK

2 Directors are Veterans

2 Directors are LGBTQ+

The above information describes our current Board of Directors. It does not include (1) General Vincent B. Stewart, who served on our Board of Directors until his passing in April 2023, and (2) does not include Mr. Dominguez, who is a new director nominee to be considered for election to the Board of Directors at the Annual Meeting.

Diverse Representation and Perspective

Director Independence
8 Independent, 1 Non-Independent

Gender
4 Female, 5 Male

LGBTQ+
2 Self-identified as LGBTQ+

Tenure
2 Directors <4 years, 2 Directors 4-10 years, 2 Directors 10+ years, 3 Directors 11+ years

Race/Ethnicity
2 Self-identified as Black, 7 Self-identified as White

Disability
1 Self-identified as disabled and/or neurodivergent

More than half of Etsy's Board self-identified with diverse attributes, and two-thirds of our Board Committee Chairs identify as women. These attributes were self-disclosed by our directors through an optional diversity question included in our director questionnaire. The survey captured Board members' identity or affiliation including within the following categories:

Board Diversity Matrix (As of April 25, 2023)

	9			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	4	5	0	0
Part II: Demographic Background				
African American or Black	1	1	0	0
Alaskan Native or Native American	0	0	0	0
Asian	0	0	0	0
Hispanic or Latinx	0	0	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	3	4	0	0
Two or More Races or Ethnicities	0	0	0	0
LGBTQ+			2	
Disabled			1	
Did Not Disclose Demographic Background				0

The above Board Diversity Matrix is presented under Nasdaq's Board Diversity Rule using categories required by stock exchange rules.



Key Examples

Lyondellbasell 2024 Proxy Statement

Diversity summary; meeting attendance; gender diversity among committee chairs

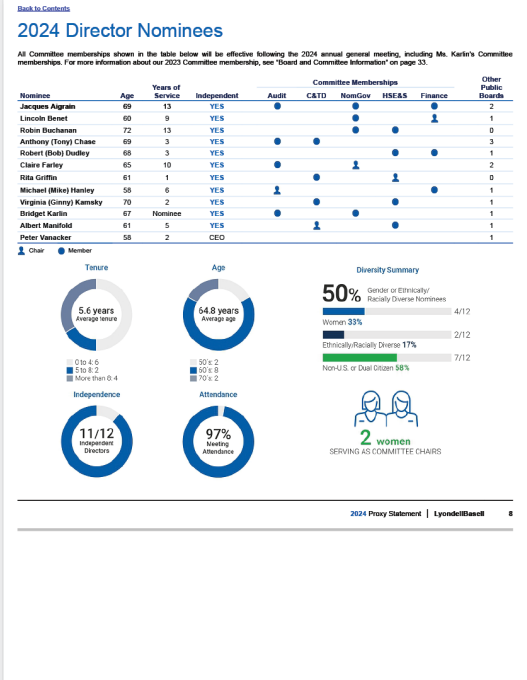
Lockheed Martin 2024 Proxy Statement

Headshots of the nominees and skills divided into five categories



CVS Health 2024 Proxy Statement

Includes financial expertise and a breakdown of specific types of diversity and adds explanatory text to provide context





Board Diversity

The SEC requires a description of whether, and if so how, the nominating committee considers diversity in identifying director nominees. If the nominating committee has a formal policy related to the consideration of diversity, the company must describe how the policy is implemented and how the committee assesses whether the policy is effective.

What to Think About

With increased demands for more diverse board representation, infographics that offer a snapshot of board diversity (discussed in the previous section) are a good start, but not sufficient without more. Investors and other stakeholders want to understand how diversity is considered, and what efforts the board has made to ensure diverse representation. They also expect to see some individualized disclosure for the nominees.

Some investors expect boards to have a certain percentage of members from underrepresented groups, while others simply want to see demonstrated progress towards more diversity. Companies that don't meet these expectations risk seeing votes against the members of their nominating committee.

The diversity matrix required of NASDAQ-listed companies from 2022 to 2024 had a domino effect and contributed significantly to the increase in diversity disclosures across

all companies. The required matrix, and the voluntary versions created by non-NASDAQ companies, focused on how directors self-identify, eliminating the need for stakeholders to make assumptions.

Many companies have created matrices or other graphics that present directors' skills, experience, and personal attributes all in one place. This can be an efficient and straightforward approach, so long as the information is not too voluminous or nuanced. It also does not replace narrative disclosure about the importance of diversity to board composition and any related policy.

When crafting their disclosure, companies should consider discussing:

- how diversity is considered in the recruiting and refreshment process
- whether the nominating committee has a formal diversity policy, or whether the company's governance guidelines include a diversity policy

- how the board has evolved over time, perhaps using a timeline or other graphic to show an increase in diverse directors
- whether the board's leadership reflects the diversity of the board as a whole

We recommend including this information in the election of directors section or, alternatively, in the proxy summary if part of a broader board snapshot.

Labrador Transparency Award Criteria

- The document has a dedicated section, subsection, or callout explaining the company's approach to board diversity, including a policy or specific commitments.
- Board diversity information (individual or aggregated) is presented in a matrix or table.

Looking Ahead

We believe that the call for diverse perspectives on boards will lead to further consideration of what constitutes diverse representation. Companies increasingly are disclosing whether their directors identify as LGBTQ+, served in the military, were born outside of the U.S., or have a recognized disability. In addition, where appropriate, companies can supplement discussions about personal diversity characteristics with disclosure regarding their nominees' diversity of backgrounds and experience. For example, many nominating committees have been expanding their searches to capture nontraditional nominees with unique expertise rather than assembling a board made up primarily of retired CEOs and CFOs as was common in the past.



Benchmarking

Board Diversity

71.1%

The document mentions a policy or specific commitment to board diversity



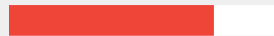
3%

“Rooney Rule” is specifically mentioned



77.0%

Board diversity information (individual or aggregated) is presented in a matrix or table



72.7%

Diversity information is individually presented (per director)



59.7%

The information is included within the skills matrix



57.1%

Matrix presents diversity information in the aggregate



Key Examples

Choice Hotels 2024 Proxy Statement

Explains the board's policy about diversity and how new directors have contributed

Table of Contents

Proposal 4—Election of Eleven Director Nominees

Board's Commitment to Diversity

The Board values diversity and strives to have a Board consisting of directors of different backgrounds and with a diverse set of experiences and perspectives. The Board, and the Corporate Governance and Nominating Committee, view such diversity on the Board as the best way to represent the interests of all of our shareholders and maximize the Company's success. While the Board does not consider race, ethnicity, or gender in selecting nominees, the Corporate Governance and Nominating Committee strives to identify qualified candidates who are women and/or from different racial and ethnic backgrounds to be included in the pool of candidates from which directors are nominated.

Our Corporate Governance and Nominating Committee strives to achieve an appropriate balance of continuity and refreshment through a mix of newer and longer-tenured Directors. Our Governance Committee and Board believe that there should be a balance of institutional knowledge and fresh perspectives among our Directors, and that long tenure does not itself impair a Director's independence, and often enhances a Director's ability to apply independent judgment.



3 directors have been added to the Board in last 5 years

The addition of Mr. Bairam brought the perspective of a consultant with hotel industry background. The addition of Ms. Veira brought a deep knowledge of the consumer to the Board. The addition of Mr. Smith, who had previously served on the Board from 2004 to 2017, brought an in-depth perspective on the business and practices of the Company as well as the business and practices of the banking and finance industries.

As the Company's strategic priorities continue to evolve and in consideration of potential retirements and departures, our Corporate Governance and Nominating Committee continues to proactively evaluate our Board's composition and succession planning to facilitate a smooth transition and continuity of skills, experience and diversity in the boardroom.

Consideration of Director Candidates

The Corporate Governance and Nominating Committee administers the process for nominating candidates to serve on the Company's Board. The Committee recommends candidates for consideration by the Board as a whole, which is responsible for appointing candidates to fill any vacancy that may be created between meetings of the shareholders and for nominating candidates to be considered for election by shareholders at the Company's Annual Meeting.

The Board has established selection criteria to be applied by the Corporate Governance and Nominating Committee and by the full Board in evaluating candidates for election to the Board. These criteria include: (i) independence, (ii) integrity, (iii) experience and sound judgment in areas relevant to the Company's business, (iv) a proven record of accomplishment, (v) willingness to speak one's mind, (vi) the ability to commit sufficient time to Board responsibilities, (vii) the ability to challenge and stimulate management and (viii) belief in and passion for the Company's mission and vision. The Committee also periodically reviews with the Board the appropriate skills and characteristics required of Board members in the context of the current membership of the Board. This assessment includes considerations such as diversity, age and functional skills in relation to the perceived needs of the Board from time to time.

The Corporate Governance and Nominating Committee uses a variety of methods to identify potential nominees for election to the Board, including consideration of candidates recommended by directors, officers or shareholders and the use of independent recruitment firms. When reviewing and recommending candidates to join the Board, the Corporate Governance and Nominating Committee considers how each prospective new member's unique background, experience and expertise will add to the Board's overall perspective and ability to govern the Company. The Committee recognizes that a current strength of the Board stems from the diversity of perspective and understanding that arises from discussions involving individuals of diverse background and experience. When assessing a Board candidate's background and experience, the Committee takes into consideration all relevant components, including, but not limited to, a candidate's gender and racial and ethnic background. The Committee may also use one or more professional search firms or other advisors to assist the Committee in identifying candidates for election to the Board.

The Corporate Governance and Nominating Committee will consider director candidates recommended by shareholders and evaluate them using the same criteria as applied to candidates identified through other means, as set forth above. Shareholders seeking to recommend a prospective candidate for the Committee's consideration should submit the candidate's name and qualifications, including the candidate's consent to serve as a director of the Company if nominated by the Committee and so elected by mail to: Corporate Secretary, Choice Hotels International, Inc., 915 Meeting Street, Suite 800, North Bethesda, Maryland 20852 or by email to IR@choicehotels.com.

Mondelez 2024 Proxy Statement

Explains how the company's Corporate Governance Guidelines affect diversity on the board

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The Governance Committee and the Board take into account the nature and extent of a director's other commitments when determining whether to nominate that individual for election or re-election. Under the Company's Corporate Governance Guidelines, directors should not serve on more than three public company boards in addition to the Company's Board (or a total of four public company boards), and a Board member who also serves as CEO (or equivalent position) at another public company should not serve on more than two public company boards in addition to the Company's Board (or a total of three public company boards).

BOARD REFRESHMENT THROUGH DIRECTOR TENURE AND AGE LIMITS

The Board believes the optimal Board composition has a balance of tenured members with in-depth knowledge of the Company's business and operations and newer members who bring fresh perspectives. To that end, our Guidelines provide that non-employee directors have a term limit of 15 years and will not be nominated for re-election to the Board after they turn 75.

In addition, as noted above, the Board's annual self-assessment process includes director self-assessments and discussions between the Independent Lead Director and each director, in coordination with the Governance Committee, regarding the director's strengths and opportunities to enhance contributions.

The current Board composition reflects the Board's commitment to ongoing refreshment, with five new directors joining the Board in the last three years.

36%



of our director nominees are women and 36% are racially or ethnically diverse

THE BOARD SEEKS AND VALUES DIVERSITY

The Board values diversity, equity and inclusion ("DE&I"), and the Board's diversity is an important aspect of the director recruitment and nomination process. When assembling the pool of candidates from which directors are selected, the Governance Committee considers criteria including gender, race, ethnicity, national origin and geographic location, as diversity in those characteristics promotes a breadth of views, knowledge, experience and background that contributes to more informed and effective decision-making. The Guidelines state that as part of the search process for each new director, the Governance Committee must actively seek out (and instruct any search firm it engages to seek out) women and minority candidates to include in the pool from which director nominees are chosen. As part of the annual assessment of the Board's composition, the Governance Committee also evaluates the effectiveness of the Board's efforts to promote diversity. The ultimate selection of directors from the candidate pool depends on a variety of factors, which are discussed under "How We Build an Experienced and Qualified Board" on page 17 and "Board Composition, Director Qualifications, Knowledge and Experience" on page 18.

The Board also embraces and encourages the Company's DE&I culture. The Board is a signatory to the Board Diversity Action Alliance ("Alliance"), which seeks to increase the representation of racially and ethnically diverse leaders on boards of corporations, beginning with Black directors. The Alliance is also accelerating change through enhanced disclosure of directors' race and ethnicity and annual reporting of progress on DE&I. Twice per year, the Board reviews the Company's DE&I strategy, stakeholder interests, risks and progress with our SVP, Chief Global Diversity & Inclusion Officer.

The Board's directors bring a diversity of gender, race, national origin, thought and global experience that promotes informed decision-making. Our director nominees include four women, vary in age from 57 to 74, represent several national origins and collectively bring a range of professional and life experiences to the Board's work. One self-identifies as Asian, three self-identify as Black and seven self-identify as white.





Key Examples

Danaher 2024 Proxy Statement



Includes broader diversity considerations, such as Born Outside U.S. and U.S. Military Veteran

Elevance Health 2024 Proxy Statement



Includes diversity information as part of skills matrix and explains how overall diversity is taken into account when identifying possible nominees

ELECTION OF DIRECTORS
Board Selection and Refreshment

Board Selection and Refreshment

Director Selection

The Board and its Nominating and Governance Committee believe that it is important that our directors demonstrate:

- personal and professional integrity and character;
- prominence and reputation in the director's profession;
- skills, expertise and background (including business or other relevant experience) that in aggregate are useful and appropriate in overseeing and providing strategic direction with respect to Danaher's business and serving the long-term interests of Danaher's shareholders;
- the capacity and desire to represent the interests of the shareholders as a whole; and
- availability to devote sufficient time to the affairs of Danaher.

The Nominating and Governance Committee is responsible for recommending to the Board a slate of nominees for election at each annual meeting of shareholders. Nominees may be suggested by directors, members of management, shareholders or by a third-party search firm engaged by the Committee. The Committee considers a wide range of factors when assessing potential director nominees. This includes consideration of the current composition of the Board, any perceived need for one or more particular areas of expertise, the balance of management and independent directors, the need for committee-specific expertise, evaluations of other prospective nominees and the qualifications of each potential nominee relative to the attributes, skills and experience described above.

When Danaher recruits a director candidate, either a search firm engaged by the Committee or a member of the Board contacts the prospect to assess interest and availability. The candidate will then meet with members of the Board and at the same time, the Committee with the support of the search firm will conduct such further inquiries as the Committee deems appropriate. A background check is completed before a final recommendation is made to appoint a candidate to the Board.

A shareholder who wishes to recommend a prospective nominee for the Board should notify the Nominating and Governance Committee in writing using the procedures described below under "Other Information - Communications with the Board of Directors" with whatever supporting material the shareholder considers appropriate. If a prospective nominee has been identified other than in connection with a director search process initiated by the Committee, an initial determination is made as to whether to conduct a full evaluation of the candidate based primarily on whether a new or additional Board member is necessary or appropriate at such time, the likelihood that the prospective nominee can satisfy the evaluation factors described above, any additional inquiries the Committee may, in its discretion, conduct and any other factors the Committee may deem appropriate.

Director Nominee Skills, Expertise, and Diversity

Diversity is an important consideration in the Board's decision-making with respect to Board composition. The Board does not have a formal or informal policy with respect to diversity but believes that the Board, taken as a whole, should embody a diverse set of skills, knowledge, experiences and backgrounds appropriate in light of the Company's needs, and in this regard also subjectively takes into consideration the diversity (including with respect to age, race, gender, national origin and U.S. military veteran status) of the Board when considering director nominees.

More than half of the Company's director nominees for the 2024 annual meeting are diverse from a gender and/or race/ethnicity perspective, two nominees are U.S. military veterans, and our nominees represent a broad range of ages and national origins.

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ELECTION OF DIRECTORS
Board Selection and Refreshment

The chart that follows illustrates the diverse set of skills, expertise and backgrounds represented by the Company's 2024 director nominees.

Skills and Expertise	Blair	Deven	Filler	List	Mega	Reis	Saberi	Sanders	Schwartz	Spoon	Stevens	Zachari
Global/International												
Life Sciences												
Diagnostics												
Healthcare Management												
Product Innovation												
Digital Technology												
M&A												
Public Company CEO and/or President												
Accounting												
Finance												
Branding/Marketing												
Government, Legal or Regulatory												

Age	59	47	64	81	49	67	72	46	81	84	72	60	72
Gender	M	M	F	F	F	M	M	F	M	M	M	M	M
Race/Ethnicity*	C	SA	C	C	C	C	C	M	B	C	C	C	N
Born Outside U.S.													
U.S. Military Veteran													

*F refers to Black "C" refers to Caucasian (other than Middle Eastern or North African descent) "M" refers to Middle Eastern descent "N" refers to North African descent "SA" refers to South Asian

Director Nominee Age

Average Age 63 years

Director Nominees Who Joined Board Within Last 5 Years

38% of director nominees joined board within last 5 years

Gender and Racial/Ethnic Diversity of Director Nominees

54% Female and/or racially/ethnically diverse director nominees

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Corporate Governance

Desired Skills, Experiences and Attributes

The following matrix summarizes the desired skills, experiences and attributes to be represented collectively on the Board and the most significant skills, experiences and attributes that each director possesses. Additional information is provided in each director's biography beginning on page 15.

Skills, Experiences and Attributes	Boudreau	Clark	DeVore	Dixon	Hay	Jaffal	Nari	Peru	Schneider	Strable	Talbot
CEO											
COO / Executive Leadership											
Insurance Industry											
Finance / Capital Markets											
Healthcare Industry											
Marketing / Consumer Insights											
Technology											
Regulatory / Public Policy											
Environmental, Social and Governance											
Diversity											

Gender and racial/ethnic diversity provide different perspectives to the Board to foster innovation and inclusion

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Corporate Governance

Our Corporate Governance Guidelines provide that, in addition to the considerations set forth above, our Governance Committee is to take into account the overall diversity of the Board when identifying possible nominees for director, including gender, race or ethnicity, age, tenure and geographic location. The Governance Committee implements that policy, and assesses its effectiveness, by examining the diversity of all of the directors on the Board when it selects nominees for directors. Currently, the Board has five female directors (45% of the Board) and four racially or ethnically diverse directors (36% of the Board), with 73% of our directors being diverse based on gender and/or race/ethnicity. In addition, the diverse directors currently hold key leadership positions, with each of the Chair of the Board, the Chair of the Governance Committee and the President and CEO being female, and the Chairs of the Compensation and Talent and Governance Committees being racially or ethnically diverse.

Gender/Racial/Ethnic Diversity of Board

73% of 11 Directors are Female

4 of 11 Directors are Racially or Ethnically Diverse

Tenure Diversity of Board

8.2 years Average Tenure

4 Directors 0-5 years, 3 Directors 6-10 years

Age Diversity of Board

64 years Average Age

5 Directors 60-65 years old, 3 Directors 65-80 years old

The Governance Committee, in recommending the nominees for election as directors and in concluding that the continuing directors should serve as directors, considered the items set forth above. The Governance Committee believes that each director and director nominee satisfies the criteria indicated for each director in the skills matrix and brings his or her own particular skills, experiences and attributes, giving the Board, as a whole, competence and experience in a wide variety of areas. In addition, the Governance Committee believes that each director and director nominee has sufficient time and energy to diligently perform his or her directorship duties. Additional biographical and other information concerning the qualifications, skills and experience of the directors and nominees for director can be found below under "Biographical Information on Director Nominees and Continuing Directors."

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Key Examples

International Paper 2024 Proxy Statement

Frames board diversity in terms of personal traits, tenure, and experience

TJX 2024 Proxy Statement

Explains why the company values diversity on the board

Lockheed Martin 2024 Proxy Statement

Explains how the Governance Guidelines contribute to board diversity

e.l.f. Beauty 2023 Proxy Statement

Emphasizes how rare the board's composition is

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Item 1: Election of Directors / How We Built the Right Board for Our Company

Diversity of Our Directors

Our Board and the Governance Committee have assembled a Board comprised of experienced directors who are currently, or have recently been, leaders of major companies and institutions, are independent thinkers, and bring to the boardroom a diverse range of backgrounds, tenures and skills. The Board believes that such diversity enhances the quality of its deliberations and decisions.

Diversity of Background

The Governance Committee Charter specifically directs the Committee to seek qualified candidates with diverse backgrounds, including such factors as race, gender, and ethnicity. The Governance Committee actively considers diversity in the recruitment and nomination of directors. In this regard, when the Company engages third party search firms to identify potential candidates, the Governance Committee emphasizes to such firms the importance of diversity and requests the inclusion of diverse candidates for consideration.

Our Board nominees reflect those efforts and the importance of diversity to our Board:

- 75% of the Board's standing committees are chaired by women
- 33% Women
- 22% Racially/Ethnically diverse

Diversity of Tenure

The Board seeks to have a mix of tenures among its members so it can benefit from a blend of institutional knowledge and fresh perspectives. Refreshment efforts have resulted in an average tenure for our current directors of 8.4 years, and have brought more women and African-Americans to our Board.

7.4 years
average tenure for director nominees
range of tenures: from 3 to 13 years

Diversity of Skills and Experience

Our Board believes that its membership should include individuals with diverse backgrounds, and is particularly interested in maintaining a mix of skills and experience that includes the following among our independent director nominees:

CEO Leadership Experience:	50%	75%
Finance or Accounting:	50%	63%
Marketing:	21%	53%
Strategic Planning:	100%	100%
Supply Chain:	42%	63%

100% based on self-identification

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Proposed 1: Election of Directors

BOARD INDEPENDENCE

Under our Corporate Governance Principles, at least two-thirds of the members of our Board should be independent. An independent director is one who the Board has affirmatively determined has no material relationship with TJX (either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company). To assist it in making its independence determination, the Board has adopted categorical independence standards in our Corporate Governance Principles that are based on the independence standards required by the New York Stock Exchange (NYSE) for its listed companies. As part of the Board's annual review of director independence, the Board considers the Corporate Governance Committee's independence assessment and recommendation. The Board also reviews and considers any transactions or relationships between any director or any member of their immediate family and TJX, in accordance with our Corporate Governance Principles (see "Transactions with Related Persons" below). To the extent there are any such relationships or transactions, the Board considers whether they are inconsistent with a determination that the director is independent.

As a result of this review, our Board unanimously determined that each of the following director nominees is independent: Mr. Alvarez, Mr. Bonnett, Ms. Bortley, Mr. Cheng, Ms. Gooden, Ms. Lane, Ms. Hammer, and Mr. Wagner. In addition, the Board determined that Mr. Hines, who served as a director during a portion of FY24, was independent. None of these directors had any relationship with TJX that implicated our categorical standards of independence. Mr. Meyrowitz, as Executive Chairman, and Mr. Hartman, as Chief Executive Officer and President, are executive officers of TJX and are therefore not independent.

BOARD DIVERSITY

As a global company open to a broad customer demographic and with hundreds of thousands of Associates, we recognize the importance of diversity to our Company's culture. We have a strong record of Board diversity and consider the Board as a whole when evaluating Board composition. We look for a Board that represents a diversity of experiences and backgrounds, including as to gender and nationality, and that reflects a range of talents, ages, skills, viewpoints, perspectives, professional experiences, geographies, and educational backgrounds. The Corporate Governance Committee takes diversity into account among its many factors it considers when evaluating the suitability of individual Board nominees. We value the many kinds of diversity represented by our Board.

Female Nominees

Our nominees reflect a range of tenures:

- 0-5 years (4 directors)
- 6-10 years (2 directors)
- 11-15 years (0 directors)
- 16+ years (4 directors)

5 out of 10 director nominees are women

Nominees from Underrepresented Groups

4 out of 10 director nominees are members of an underrepresented group*

- Asian
- Black/African American
- Hispanic/Latino
- LGBO+

50%

40%

Board Leadership: Our Chairman of the Board and all four Committee Chairs are women.

Strong Record of Board Diversity: For each of the past 15 years, more than 50% of our Board nominees have been women and/or members of an underrepresented group.*

* based on self-identification

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OUR BOARD AND OUR TEAM

Diversity and Highly Experienced Team

Our Board of Directors (our "Board"), executive team and employees are highly experienced, with proven track records managing and growing brand portfolios. At e.l.f. Beauty, we are committed to diversity, equity, and inclusion. We believe it is important that our team reflects the diverse consumers we serve. Our commitment to diversity, equity and inclusion starts at the top with a highly skilled and diverse Board.

We are proud to be one of only four public companies in the U.S. (out of nearly 4,200 public companies) with a Board of Directors that is at least two-thirds women and at least one-third diverse.⁽¹⁾ We're also proud that our employee base, which is over 70% women, over 40% diverse and over 65% millennial and Gen Z, is representative of the young, diverse communities we serve.⁽²⁾

9 Directors
67% Women
33% Diverse

339 Employees
74% Women
68% Millennial/Gen Z
41% Diverse

1 of 4 Public Companies (out of ~4,200) with

≥2/3 Women on Board of Directors

≥1/3 Diverse Representation on Board of Directors

(1) Source: Forrester, March 2023.
(2) Employee demographic figures based on our full-time employees as of March 31, 2023. Diversity percentage excludes our employees outside of the United States.

Strong, Independent, and Active Board

key qualifications/experience	number of directors	key qualifications/experience	number of directors
Consumer Products	7 out of 9	Operations	5 out of 9
Retail/Beauty	5 out of 9	Public Company Boards	3 out of 9
Financial/Accounting	5 out of 9	Senior Leadership	9 out of 9
Corporate Governance	6 out of 9	M&A/Strategy	6 out of 9
Brand/Marketing	5 out of 9	Cybersecurity	2 out of 9
Tech/Digital Media	3 out of 9		

89% independent

Our directors are committed to Board diversity

Diversity in skills and backgrounds ensures that the widest range of options and viewpoints are expressed in the boardroom. To this end, the Board seeks to identify candidates with areas of knowledge or experience that will expand or complement the Board's existing expertise in overseeing a technologically advanced global security and aerospace company. Furthermore, in 2022, the Board amended our Governance Guidelines to expressly state the Governance Committee's commitment to actively seeking out highly qualified women and individuals from minority groups as well as candidates with diverse backgrounds, experiences and skills as part of each search the Company undertakes. The Governance Committee implements these guidelines in the identification and review of Board candidates and assesses the effectiveness of these guidelines by including questions regarding the diversity of the Board membership in the Board's annual self-evaluation. The current composition of our Board and recent refreshment reflects those efforts and the importance of diversity to our Board.

Our Board considers director tenure

Board refreshment over time is critical to ensuring that the Board as a whole maintains an appropriate balance of tenure, diversity, skills and experience. The Board believes it is desirable to maintain a mix of longer-tenured, experienced directors that have developed increased knowledge and insight into the Company's operations, and newer directors with fresh perspectives and new ideas. The Board's Bylaws and Governance Guidelines provide that a director is not eligible to be re-nominated for election at the annual meeting following their 75th birthday unless an exemption is granted by action of the Board. In considering whether to grant such an exemption, the Board will consider the expertise, experience, background and perspectives of the director and their ongoing contributions to the Board. We do not have term limits for directors as they may sometimes result in losing the contribution of experienced directors who have over time developed a deep understanding of the Company and its operations. Each director's continued tenure will be re-considered annually as part of the annual Board self-evaluation and nomination process. The Board has undergone significant refreshment over the past several years.

Director Commitments, Onboarding and Stock Ownership Guidelines

Our Board evaluates directors' other commitments

The Board recognizes that its members benefit from service on the boards of other companies and it encourages such service within specified limits. The Board also believes that it is critical that directors dedicate sufficient time to their service on the Company's Board. Directors must notify the CEO, Independent Lead Director and Senior Vice President, General Counsel and Corporate Secretary before accepting an invitation to serve on the board of any other public company. The Governance Committee reviews and determines whether or not the position would affect the director's ability to serve on the Company's Board. The Governance Guidelines limit public company board service without obtaining the approval of the Governance Committee, as set forth below.

DIRECTORS	PUBLIC COMPANY CEO	AUDIT COMMITTEE
A director may not serve on the boards of more than 4 public companies (including Lockheed Martin)	Active CEOs or equivalent may not serve on the boards of more than 3 public companies (including Lockheed Martin)	Audit Committee members may not serve on more than 3 public company audit committees (including Lockheed Martin)

The Governance Committee also has oversight responsibility for reviewing new commitments or changes in responsibility that could potentially interfere with a director's ability to perform his or her duties and responsibilities, including conflicts of interest, independence or related person transactions, regulatory issues and time commitments. Directors are expected to resign upon any significant change in principal employment or responsibilities unless the Governance Committee approves their continued service. The Governance Committee reviews and determines whether the change affects the director's ability to continue on the Board, considering any potential conflicts of interest, independence or related person transactions, regulatory issues and time commitments.

Our directors receive extensive onboarding and pursue continuing education

New directors are provided a comprehensive orientation about the Company, including our business operations, strategy and governance. New directors have one-on-one sessions with the CEO, the Independent Lead Director, other directors and members of senior management. New Audit Committee members also have one-on-one sessions with the Company's independent auditors. Members of our senior management regularly review with the Board the operating plan of each of our business segments and the

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Our Board and Our Team

Diversity and Highly Experienced Team

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Corporate Governance	6 out of 9	M&A/Strategy	6 out of 9
Brand/Marketing	5 out of 9	Cybersecurity	2 out of 9
Tech/Digital Media	3 out of 9		

89% independent

Our Board is actively engaged in overseeing the strategic direction of e.l.f. Beauty and is committed to acting in the best interests of e.l.f. Beauty and our stockholders. Our Board recognizes the importance of having the right mix of skills, expertise and experience, and is committed to continuously reviewing its capabilities, structure and ongoing member refreshment on behalf of our stockholders. To that end, four of our independent directors have joined our Board within the last five years with two joining since May 2022.

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Board Skills, Experience, and Qualifications

Presentations of directors' qualifications have advanced significantly since the SEC first required disclosure of "the specific experience, qualifications, attributes or skills that led to the conclusion that the person should serve as a director." Initially, this information was only included in nominee biographies, but companies increasingly are providing a separate discussion to demonstrate that the directors collectively possess the experience and expertise needed to effectively oversee the company's compliance and risk issues and long-term strategy.

What to Think About

When evaluating director nominees, investors care about both individual qualifications and the big picture: whether the board collectively possesses the skills necessary to oversee the company's business strategy and risks. In the past, skills information--if provided separately at all--was given in the aggregate (i.e., "6 of our 9 directors have X skill"). Anecdotally, we understand this format appeased directors who didn't want to be singled out for having a particular expertise and those who didn't want to appear to have fewer useful skills than some of their board colleagues.

These concerns have been waning, and we are seeing more companies provide individualized skills information, typically in a matrix format, each year.

To supplement a matrix, there are two aspects of skills disclosure that we believe should receive more attention. First, it's not always obvious why a company has chosen to highlight particular skills, or how a director would have attained those skills. The best proxies don't make the reader guess about these points. Second, investors want to see that boards are engaged in a thoughtful and ongoing assessment of their strategic needs, and seeking director nominees who have newly-identified (or newly-relevant) skills.

To meet these information demands, we believe that the best disclosures include:

- an explanation of the qualifications and skills desired on the board, including how those qualifications and skills are relevant to the company and its long-term plans

- the qualifications and skills attributable to each individual director, including how those skills were acquired
- whether the board reviewed, and perhaps revised, the list of desired skills and experience in its most recent self-evaluation
- whether the nominating committee actively seeks candidates with particular skills as part of the board refreshment process

We typically recommend including a skills matrix and the related information in the "election of directors" section.

Recent focus on ESG and cybersecurity expertise on the board should not be overlooked. Even when not identified as a separate skill in a matrix, ESG and cybersecurity expertise are often expressly included in the description of

other director qualifications—for example, "CEO experience" may be described as including global talent management, "industry experience" may include an understanding of environmental impacts, and "technology" expertise may refer to cybersecurity. In response to investor focus, more companies are including their material ESG subjects as separate skills.

We note that some companies have resisted the "skill matrix" approach. These companies often include a more robust narrative in the director biographies that link specific skills with the directors' professional experiences. We believe that both types of disclosures are useful. If a skills matrix is used, though, we suggest lead-in language to explain that it is not intended as an exhaustive list of qualifications.



Labrador Transparency Award Criteria

- Board skills are presented in a matrix or table indicating the skills held by each individual director.
- Board skills are presented in a matrix, table, graphic(s), or using other visual elements indicating the skills held by the board in the aggregate.
- The relevance of each board skill and its link to company strategy is explained.

Looking Ahead

We expect companies to further demonstrate that thoughtful and ongoing assessments of board skills and qualifications are not just a disclosure necessity, but truly an integral part of the board's policies and practices. This likely will include more in-depth and non-boilerplate discussion of skills as they relate to strategy. We have seen the categorization of skills into strategic vs. governance, designating skill "tiers" based on level or type of expertise/experience, and disclosure of skills prioritized as part of board succession planning.

As disclosures evolve, companies may want to provide a year over year comparison; i.e., identify which skills in the skills matrix have changed to address different business needs, or which skills have increased with new directors (for example, increased the cyber expertise from xx to xx directors in light of increased risks).



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Benchmarking

Board Skills, Experience and Qualifications

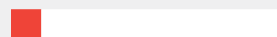
85.0%

Board skills are presented in a matrix or table indicating the skills held by each individual director



11.8%

Presented in the Proxy Summary section



72.9%

Presented in the Election of Directors section



35.3%

Presented in the Corporate Governance section



45.0%

Board skills are presented in a matrix, table, graphics or using other visual elements indicating the skills held by the board in the aggregate



57.8%

Presented in the Proxy Summary section



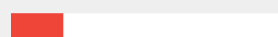
48.9%

Presented in the Election of Directors section



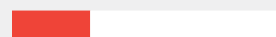
20.0%

Presented in the Corporate Governance section



29.7%

Aggregate information is combined with the individualized skills matrix



Skills Related to New Regulatory Topics

40.0%

Human Capital Management



48.0%

Cybersecurity



44.0%

ESG/environment/sustainability



46.0%

Icons are used to depict each skill/expertise



31.0%

Relevance of each board skill and its link to company strategy is explained





Key Examples

Booking Holdings 2024 Proxy Statement

Explains why each skill is relevant to the company separate from the matrix and adds icons that are reused in the director bios

PVH 2024 Proxy Statement

Explains why each skill is relevant to the company separate from the matrix and indicates in the matrix whether the director has direct or indirect experience

CORPORATE GOVERNANCE

Director Qualifications

We believe that our directors should possess high personal and professional ethics and integrity, and be committed to representing the long-term interests of our stockholders. We endeavor to have a Board representing a range of experiences at policy-making levels in business and in areas that are relevant to the global nature of our operations and our long-term strategy. As a result, the Board and the Corporate Governance Committee ("CG Committee") believe that, in light of our business, strategy, and structure, the following are key areas of experience, qualifications, and skills that should be represented on the Board:

- Leadership:** Directors with experience in significant leadership positions over an extended period, especially chief executive officer ("CEO") positions, provide us and the Board with special insights. These individuals generally possess exceptional leadership qualities and the ability to identify and develop those qualities in others. They demonstrate a practical understanding of organizations, processes, strategy, risk management, and methods to drive change and growth.
- Finance:** It is important for our directors to understand finance, financial statements, and financial reporting processes. We generally measure our operating and strategic performance by reference to financial targets. In addition, accurate financial reporting and effective auditing are critical to our success.
- Global Business:** We operate a global business and believe it is important the Board includes directors with a mix of global business perspectives representing a variety of markets.
- Human Resources:** As our business continues to grow and the number and diversity of our employees increases, the Board believes that directors with human resources (including people and culture) experience are important to our success.
- Technology:** The Board believes that having directors with technology oversight experience, including of internet or e-commerce businesses, is important for the Board's ability to oversee management and provide insight regarding innovations and the evolving risk landscape in our industry.
- Sales and Marketing:** As our business is highly dependent on effective marketing, the Board seeks to have directors with significant sales and marketing experience to provide additional insight and advice to management in these areas.
- Travel Industry:** The Board believes that having directors with insight into the travel industry and related industries helps it evaluate our strategy and oversee management.

2024 PROXY STATEMENT | BOOKING HOLDINGS INC. 15

CORPORATE GOVERNANCE
Nomination and Election Process

The following 2024 board skills matrix shows areas of experience, qualifications, and skills that were particularly identified for each nominee by the CG Committee and the Board when considering the current nominees. We continue to evaluate the matrix against our strategy so that it can serve as an effective tool for identifying director nominees who collectively have the complementary skills, experience, and qualifications to guide our Company.

	Leadership	Finance	Global Business	Human Resources	Technology	Sales and Marketing	Travel
Glen D. Fogel	■	■	■	■	■	■	■
Miriam M. Graddock-Weir	■	■	■	■	■	■	■
Kelly Grier	■	■	■	■	■	■	■
Wei Hopeman	■	■	■	■	■	■	■
Robert J. Mylod, Jr.	■	■	■	■	■	■	■
Charles H. Noski	■	■	■	■	■	■	■
Larry Quinlan	■	■	■	■	■	■	■
Nicholas J. Read	■	■	■	■	■	■	■
Thomas E. Rothman	■	■	■	■	■	■	■
Sumit Singh	■	■	■	■	■	■	■
Lynn Volovodich Radakovich	■	■	■	■	■	■	■
Vanessa A. Wittman	■	■	■	■	■	■	■

Director Tenure

The CG Committee and the Board consider director tenure in connection with the evaluation of nominee independence. The CG Committee believes that Board continuity facilitates effective and efficient leadership, risk management, and oversight, and that the knowledge and understanding of our business gained over years of service are important attributes to consider when determining nominees for election to the Board. The CG Committee and the Board also believe that deliberate and planned Board refreshment is beneficial to the Board and our Company, and we have a robust and continuous refreshment process in place. The CG Committee and the Board believe that the current mix of directors reflects an appropriate mix of short-, medium-, and long-tenured directors. Eight of our independent directors will have joined the Board in the past eight years and the average tenure of our independent directors will be 5.6 years as of the Annual Meeting.

Nomination and Election Process

Identifying Director Candidates

As set forth in the Company's Corporate Governance Principles, the CG Committee primarily uses the following criteria to identify and recommend nominees for election or appointment to the Board:

- the highest personal and professional ethics and integrity;
- relevant business, professional, or managerial skills and experience;
- demonstrated leadership skills through involvement in business, professional, charitable, or civic affairs;
- current knowledge of the industry, markets, and communities in which we do business;
- the characteristics to contribute to the Board's diversity of viewpoints, background, experience, knowledge, and perspectives;
- ability and willingness to commit adequate time to fulfilling Board and committee duties and responsibilities, and to exercise independent judgment, ask probing questions, and express tough opinions; and
- expertise, skills, knowledge, experience, and personality that fit well with those of other directors in building a Board that is effective, collegial, and responsive to the Company's needs and stockholder interests.

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Director Nominee Skills

We believe our directors should possess high personal and professional ethics and integrity and be committed to representing the long-term interests of our stockholders. We endeavor to have a Board representing a range of experience in areas that are relevant to the global nature of our operations and the PVI+ Plan. We believe that the following are key areas of experience, qualifications and skills that should be represented on the Board:

- C-Suite Experience:** Experience in a C-suite position enables a director to provide us with valuable insight into organizational behavior and processes, an understanding of strategy development and execution, important knowledge about a range of challenges and issues facing large companies, and deep functional expertise.
- Business Unit Leadership Experience:** Directors with business leadership experience within a large enterprise offer us practical and tested perspectives on oversight of organization and strategic planning, including in the areas of talent development, driving change and long-term growth. Knowledge of financial markets, financing and financial reporting processes enables a director to provide us with effective oversight and advice in respect of our financial position, financing activities and capital structure and financial reporting.
- Financial Expertise:** Directors with expertise in consumer products and services have experience and perspectives that are essential to the execution of our growth strategy and efforts to increase market share in a competitive industry.
- Consumer Products or Services:** Directors with expertise in consumer products and services have experience and perspectives that are essential to the execution of our growth strategy and efforts to increase market share in a competitive industry.
- Digital/E-commerce:** In-depth knowledge of or experience with digital transformations and digital workflows enables a director to provide us with insight and advice in support of our digital-first, 360-degree consumer engagement to win with and meet consumers on their terms in new and emerging ways.
- Technology/Cyber Risk/Information Security:** Directors with a background or experience in information technology/software, cybersecurity or technology can offer valuable perspectives on the development of advanced technologies and innovative solutions, and also serve a critical role in the Board's oversight of cybersecurity risks.
- Regulatory/Corporate Governance:** Directors with knowledge of the legal and regulatory framework in which we operate help evaluate risks and how our business may be impacted by governmental actions, public policy, and regulatory changes and enforcement, and also ensure that the Board performs its obligations and operates with stockholders in mind in all regards.
- International Experience:** Directors who have conducted business or operations outside of the United States provide perspectives and insights on international business, politics and culture that are invaluable to a global company with operations and sales around the world.
- Risk Management:** Knowledge and experience in managing major risk exposures for complex, large organizations, including significant financial, operational, compliance, reputational, strategic, international and cybersecurity risks, enables a director to provide input critical to the Board's risk oversight role.
- Sales/Marketing/Public Relations:** Directors with expertise in brand development, marketing and sales at a global scale and in local markets can provide important support to our PVI+ Plan strategy.
- Strategic Planning/Development:** Directors with proficiency in overseeing long-term business transformations and mergers and acquisitions have the knowledge to provide advice and insight into matters such as our M&A activities, identifying opportunities, and decisions to form joint ventures or make strategic investments.
- Human Capital Management:** Human resources (including people and culture) experience is increasingly important to our success, and directors having this expertise can be key to executing our strategies for hiring talent, enhancing our organization, developing high potential and high performing talent, and creating the culture we seek to help our businesses grow and thrive.

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Diversity/Equity/Inclusion

We have a strong commitment to diversity, equity and inclusion, and directors with a background, education or operational skills in building an inclusive work environment, including attracting, retaining, promoting and developing diverse talent, can provide important insight and advice in our efforts to continue to create a community in which every individual is valued and every voice is heard.

Climate

Directors with experience in environmental issues and sustainability strengthen the Board's oversight of environmental and climate risks, which are significant in our industry, and provide insight into tools and processes that can help us meet the extensive regulatory requirements developing worldwide around sustainability marketing, labeling, reporting and the like.

The Nominating, Governance & Management Development Committee believes our Board of Directors is most effective when its members represent a mix of the attributes, skills and experience shown below, as well as elements of individual diversity.

	Operating Experience	Financial Expertise	Industry Expertise	Consumer Products or Services	Digital/E-commerce	Technology/Cyber Risk/Information Security	Regulatory/Corporate Governance	International Experience	Risk Management	Sales/Marketing/Public Relations	Strategic Planning/Development	Human Capital Management	Diversity/Equity/Inclusion	Climate
Operating Experience	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Financial Expertise	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Industry Expertise	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Consumer Products or Services	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Digital/E-commerce	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Technology/Cyber Risk/Information Security	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Regulatory/Corporate Governance	●	●	●	●	●	●	●	●	●	●	●	●	●	●
International Experience	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Risk Management	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Sales/Marketing/Public Relations	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Strategic Planning/Development	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Human Capital Management	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Diversity/Equity/Inclusion	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Climate	●	●	●	●	●	●	●	●	●	●	●	●	●	●

● Experience obtained as a result of directly overseeing a business function
 ● Cash/e experience managing a business with this component or experience obtained as a result of directly overseeing the function
 ● Cash/e experience managing a business with international operations

CORPORATE GOVERNANCE | PVI+ CORP. 2024 PROXY STATEMENT / 29



Key Examples

KBR 2024 Proxy Statement

Simple matrix that provides data about skills and diversity

Caterpillar 2024 Proxy Statement

Combines specific skills descriptions within the matrix with demographic and tenure data

Corporate Governance

PROPOSAL NO. 1 Election of Directors

At our 2024 Annual Meeting of Stockholders, ten directors are to be elected to hold office until the 2025 Annual Meeting of Stockholders. All directors are elected annually, with each nominee standing for election to a one-year term. The members of our Board of Directors hold office until their successors are elected and qualified or until their earlier resignation or removal. Our Board of Directors has approved an increase to the size of the Board of Directors from nine members to ten members and nominated Joseph Dominguez for election at our 2024 Annual Meeting of Stockholders. Mr. Dominguez was identified as a qualified director candidate by an independent executive search firm engaged by our Nominating and Corporate Governance Committee. Mr. Dominguez's nomination resulted from a comprehensive evaluation of Mr. Dominguez's abilities, skills, and experience following the process and criteria outlined in "Process for Selecting New Directors." There are no arrangements between any director nominee and any other person pursuant to which such director nominee was selected as a director nominee. All nominees besides Mr. Dominguez are incumbent director nominees.

Each nominee has indicated a willingness to serve, if elected. If any nominee declines to serve or becomes unavailable for any reason, or a vacancy occurs before the election, the proxies may be voted for such substitute nominees on the Board of Directors may designate. We have no reason to believe that any of the nominees will be unable to serve if elected. Directors are elected by a majority of votes cast. This means that the number of shares voted "FOR" a candidate must exceed the number of shares voted "AGAINST" the candidate. Shares present but not voting on the election of directors will be disregarded, except for quorum purposes, and will have no effect on the outcome of the vote.

Our Board

A top priority of our Board and Nominating and Corporate Governance Committee is ensuring that our Board of Directors is composed of directors who:

- bring a variety of skills relevant to our business,
- provide expertise that is useful to KBR and complementary to the background and experience of other Board members, and
- effectively represent the long-term interests of our stockholders.

As shown below, the incumbent directors and one new director nominee (Mr. Dominguez) have a wide range of skills and experience that will enable the Board to effectively oversee management and the business of KBR.

	Industry	Academy	Public	Private	Government	Energy	Technology	Health	Other
Industry Experience	Energy	Engineering Technology	Engineering Technology	Government Space Technology	Government Space	Energy Engineering Technology	Energy Engineering Technology	Professional Services	
Education									
CEO/COO									
Community/Data Privacy/IT									
Finance									
Accounting/Audit/Finance									
Risk Management/Overnight									
Climate/Environment/Sustainability									
PLicensing/Technology									
Manufacturing									
Mineral Services									
Demographics									
Age	30	57	60	64	77	64	55	70	68
Tenure	9	9	0	4	16	1	6	12	8
Gender	M	M	F	M	M	F	M	F	M
Nationality	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
Race/Ethnicity	White	White	White	Hispanic	African American	White	White	White	White
Gender									

The Board of Directors recommends that you VOTE FOR the election of all the director nominees presented on the next several pages. All proxies will be so voted unless a stockholder specifies otherwise.

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DIVERSITY OF SKILLS AND EXPERTISE

The following skills matrix displays the most significant skills and qualifications that each director nominee possesses. The board does not assign a specific weight to any particular skill. Rather, the Nominating and Governance Committee (NGC) regularly reviews the composition of the board as a whole to ensure that the board maintains a balance of knowledge and experience and to assess the skills and characteristics that the board may find valuable in the future in light of strategic plans and operating requirements of the Company and the best interests of shareholders.

SUMMARY OF INDIVIDUAL DIRECTOR NOMINEE SKILLS, CORE COMPETENCIES AND ATTRIBUTES

	DONNINGUEZ FOR	JOHNSON FOR	MACLENNAN FOR	REED/OLIVER FOR	UNLUKOFF FOR	WILKINS FOR	71 years Average Tenure
Board of Directors Experience (other boards) Directors with experience on other boards and board committees understand the function of a board, corporate governance best practices, agenda setting, succession planning and relations between the board, the CEO and senior management.							89%
Audit Committee Financial Expert Experience as an Audit Committee Financial Expert is important given our use of financial reports as measures of performance and the importance of accurate financial reporting and robust internal auditing.							100% of AC Members
CEO Directors with experience in a CEO role enhance the board's ability to evaluate and advise our CEO on leading a large, complex, multinational corporation, as well as oversee strategic planning, values, and environmental, social and governance issues.							56%
Leadership Directors with significant leadership experience enhance the board's ability to oversee strategic planning, values, and environmental, social and governance issues.							100%
Business Development and Strategy Directors with a background in business development provide insight into developing and implementing strategies for growing our business, including the opportunities represented by the energy transition.							100%
Government/Regulatory Affairs Directors with experience in government or regulatory affairs provide experience and insight that help us understand opportunities across global markets and address regulatory issues, government affairs and present-day issues affecting business.							44%

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DIVERSITY OF SKILLS AND EXPERTISE

	DONNINGUEZ FOR	JOHNSON FOR	MACLENNAN FOR	REED/OLIVER FOR	UNLUKOFF FOR	WILKINS FOR	
Customer and Product Support Services Expertise in customer and product support services greatly increases a director's understanding of our complex business operations and our focus to grow services to better support our customers.							67%
Finance & Accounting Knowledge of finance and accounting assists our directors in understanding, acting on and monitoring the Company's capital structure, financing and investing activities, as well as our financial reporting and internal controls.							76%
Risk Management Directors with experience in risk management, including with respect to environmental, social and cybersecurity matters, enhance oversight of the evaluation, assessment and mitigation of the most significant risks facing the Company.							85%
Technology Directors with expertise in technology fields offer insights on technology innovations, product development, digital solutions, innovative business models, data analytics, e-commerce applications and cybersecurity risks, and understand the importance of investing in new technologies for future growth.							78%
Global Experience Directors with experience conducting business or operations outside of the United States provide political, economic and cultural perspectives and insights that are valuable to our global Company and help us better understand opportunities and challenges across global markets.							89%
Manufacturing/Logistics Relevant experience in manufacturing provides a valuable perspective and is important in understanding the business operations and capital needs of the Company.							54%
Women							35%
Racial/Ethnic Diversity							22%
Age	62	61	61	64	60	67	66
							65 years Average Age

CATERPILLAR PROXY STATEMENT 11



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Key Examples

Mondelez 2024 Proxy Statement

Explains why each skill is relevant and how a nominee would acquire that skill; uses icons that are reused in the director bios

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The Board seeks and values diversity. The Board's overall diversity is an important aspect of the director recruitment and nomination process.

The director nominees include four women, represent several national origins, vary in age from 57 to 74, and collectively bring a range of professional and life experiences to the Board. One self-identifies as Asian, three self-identify as Black and seven self-identify as white. Mr. Price, our new director nominee, will bring additional diversity to our Board.

When assembling the pool of candidates from which directors are selected, the Governance Committee considers criteria including gender, race, ethnicity, national origin and geographic location, as diversity in those characteristics provides a breadth of views, knowledge, experience and backgrounds that contributes to more informed and effective decision-making. As part of the search process for each new director, the Governance Committee actively seeks out (and instructs any search firm it engages to seek out) women and minority candidates to include in the pool from which director nominees are chosen. The Governance Committee assesses the effectiveness of the Board's efforts to promote diversity as part of its annual assessment of the Board's composition.

This year, the Board is nominating ten incumbent directors and one new director nominee, Paula A. Price, former Executive Vice President and Chief Financial Officer of Macy's, Inc. Ms. Price will bring to the Board a wealth of expertise pertaining to finance, business development and operational strategy. Ms. Price is not standing for re-election in accordance with the Company's mandatory retirement policy for directors and will retire at the Annual Meeting, and the Board thanks him for his valuable service.

BOARD COMPOSITION: DIRECTOR QUALIFICATIONS, KNOWLEDGE AND EXPERIENCE

Based upon its discussions with the Board, the Governance Committee has identified seven key director competencies that are desirable in order for the Board to fulfill its current and future obligations.

Key Competencies	Relevant Experience
INDUSTRY EXPERIENCE Industry Experience is vital to reviewing and understanding strategy, and the connections between strategy and the potential acquisition of businesses that offer complementary products or services.	<ul style="list-style-type: none"> Food and beverage Consumer products Global food strategies
SIGNIFICANT OPERATING EXPERIENCE Significant Operating Experience as a current or former executive of a large global company or other large organization gives a director specific insight and expertise that will foster active participation in the development and implementation of the Company's operating plan and business strategy.	<ul style="list-style-type: none"> CEO/CFO Manufacturing operations Retail operations Technology/information technology strategy
LEADERSHIP EXPERIENCE Leadership Experience gives a director the ability to motivate, manage, and identify and develop leadership qualities in others and promotes strong ethical thinking and verbal communication skills, as well as diversity of views and thought processes.	<ul style="list-style-type: none"> CEO/CFO or other leadership positions at complex organizations MBA/Advanced/Partnerships Strategic planning Talent assessment and people development/compensation
SUBSTANTIAL GLOBAL BUSINESS AND OTHER INTERNATIONAL EXPERIENCE Substantial Global Business and Other International Experience are important given the Company's global presence.	<ul style="list-style-type: none"> CEO/CFO or other leadership positions at complex organizations MBA/Advanced/Partnerships Strategic planning Talent assessment and people development/compensation
ACCOUNTING AND FINANCIAL EXPERIENCE Accounting and Financial Expertise enables a director to analyze financial statements, capital structure and complex financial transactions, and oversee accounting and financial reporting processes.	<ul style="list-style-type: none"> CFO MBA/Advanced/Partnerships Financial Accounting/Capital markets Cost management

Mondelez 2024 PROXY STATEMENT | 15

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Key Competencies	Product Research, Development and Marketing Experience in the food and beverage sector or a complementary industry contributes to a director's ability to oversee efforts to identify and develop new food and beverage products and implement marketing strategies that will improve performance.	Relevant Experience
PRODUCT RESEARCH, DEVELOPMENT AND MARKETING EXPERIENCE		<ul style="list-style-type: none"> Consumer insights and analytics Research & development Innovation New media/digital technology/digital commerce
PUBLIC COMPANY BOARD AND CORPORATE GOVERNANCE EXPERIENCE	Public Company Board and Corporate Governance Experience at a large publicly traded company provides a director with a solid understanding of the extensive and complex oversight responsibilities of public company boards and furthers the goals of greater transparency, accountability and protection of shareholders' interests.	<ul style="list-style-type: none"> CEO/CFO/other governance leadership positions Government affairs/regulatory compliance Public company board service Corporate governance knowledge Risk oversight

DIRECTOR SKILLS

Director Nominee Skills & Experience	Le-Hart	Barnish	Coulton	McNamee	Merritt	Murphy	Nelson	Price	Shwert	Tuchman	Van der Put
Industry Experience	●	●	●	●	●	●	●	●	●	●	●
Significant Operating Experience	●	●	●	●	●	●	●	●	●	●	●
Leadership Experience	●	●	●	●	●	●	●	●	●	●	●
Substantial Global Business and Other International Experience	●	●	●	●	●	●	●	●	●	●	●
Accounting and Financial Expertise	●	●	●	●	●	●	●	●	●	●	●
Product Research, Development and Marketing Experience	●	●	●	●	●	●	●	●	●	●	●
Public Company Board and Corporate Governance Experience	●	●	●	●	●	●	●	●	●	●	●

INDIVIDUAL DIRECTOR SELF-ASSESSMENTS AND CONSIDERATIONS FOR RENOMINATION OF INCUMBENT DIRECTORS

The Board does not believe that directors should expect to be automatically renominated. Therefore, annual Board and director self-assessments are important determinants in a director's renomination and tenure.

The Governance Committee coordinates annual Board, committee and director self-assessments. The assessment process includes one-on-one discussions between each director and the Independent Lead Director. All incumbent director nominees complete questionnaires annually to update and confirm their background, qualifications and skills, and to identify any potential conflicts of interest. The Governance Committee assesses the experience, qualifications, abilities, skills, diversity and contributions of each director. In coordination with the Independent Lead Director, the Governance Committee also considers each individual in the context of the Board's composition as a whole, with the objective of recruiting and recommending a slate of director nominees who can best sustain the Company's success and represent shareholders' interests by exercising sound judgment and informed decision-making.

The Board expects that a director's other commitments will not interfere with his or her duties as a Company director.

Mondelez 2024 PROXY STATEMENT | 15

Rockwell Automation 2024 Proxy Statement

Extensive detail about what each skill is and why it is relevant

ELECTION OF DIRECTORS
BOARD OF DIRECTORS

The Committee, the Chairman and CEO, or other members of the Board may identify a need to add new members to the Board or fill a vacancy on the Board. In that case, the Committee will initiate a search for qualified director candidates, seeking input from senior management and Board members, and to the extent it deems it appropriate, outside search firms. The Committee will evaluate qualified candidates and then make its recommendation to the Board.

DIRECTOR QUALIFICATIONS

In making its recommendations to the Board with respect to director candidates, the Committee considers various criteria set forth in our Board Membership Criteria (see Exhibit A to the Committee's Charter), including experience, professional background, specialized expertise, diversity and concern for the best interests of shareholders as a whole. In addition, directors must be of the highest character and integrity, be free of conflicts of interest with the Company and have sufficient time available to devote to the affairs of the Company. The Committee from time to time reviews with the Board our Board Membership Criteria.

The Committee will evaluate properly submitted shareholder recommendations under substantially the same criteria and in substantially the same manner as other potential candidates. We believe that our directors should possess the highest character and integrity and be committed to working constructively with others to oversee the management of the business and affairs of the Company. Our Board Membership Criteria provides that our directors should (i) have a variety of experience and backgrounds, (ii) have high level managerial experience or be accustomed to dealing with complex problems, and (iii) represent the balanced best interests of all shareholders, considering the overall composition and needs of the Board and factors such as diversity, age, and specialized expertise in the areas of corporate governance, finance, industry, international operations, technology, and risk management. The Board Membership Criteria attach importance to director's experience, ability to collaborate, integrity ability to provide constructive and direct feedback, lack of bias, and independence. Our Board seeks to maintain members with strong collective abilities that allow to fulfill its responsibilities.

BOARD SKILLS, QUALIFICATIONS, AND EXPERIENCE

The Board has determined that all of the Company's directors are deeply experienced in risk oversight, financial literacy, and possess the skills, judgment, experience, reputation, and commitment to make a constructive contribution to the Board. In addition, there are seven distinct sets of skills or experience described below that we believe should be represented on our Board to enable the Board to effectively fulfill its governance responsibilities and provide guidance to the management team on the Company's strategy and execution of that strategy. The Board Composition and Corporate Governance Committee strives to ensure that our directors have an appropriate balance of these talents.

Skills and Experience	Relevance to Rockwell Automation's Strategy	No. of Directors
Public Company CEO or Executive Leadership , including hands-on responsibility for strategic and operational planning, financial reporting, compliance, risk management and mitigation, and human capital management, and a track record of success in a complex multinational organization and in delivering organic and inorganic growth strategies. Specific attributes include: ability to manage complex, critical approach to conducting business, ability to resolve conflict and build consensus, and ability to lead high-functioning teams.	Rockwell Automation is a large global public company with complex organizational, operational, and business processes. Directors with experience leading large companies provide unique insights on strategy and operations needed to drive strong results and achieve enterprise goals.	10
Global Business , including a track record of growing market share and revenue in markets around the world, an understanding of how to drive growth in both mature and emerging markets, as well as regulated and the markets, and insight into the latest trends of diverse geographic markets.	Rockwell Automation does business in more than 100 countries. Our global presence is important to our competitive advantage. Directors with experience global business opportunities and challenges and global talent needs provide guidance on how to drive growth in markets around the world.	8
Financial Accounting , including an understanding of finance and financial reporting processes for public companies, and awareness of strategies to ensure accurate and compliant reporting and robust financial controls. Directors with a finance/accounting background may meet regulatory requirements to be deemed a "Financial Expert."	Rockwell Automation's business involves complex financial transactions and reporting. Directors with a high level of financial literacy assist in evaluating our financial position, capital structure, financial strategy, and financial reporting.	10

ROCKWELL AUTOMATION | FY2023 PROXY STATEMENT 21

ELECTION OF DIRECTORS
BOARD OF DIRECTORS

Skills and Experience	Relevance to Rockwell Automation's Strategy	No. of Directors
Industry/Operational/Manufacturing , including experience in industrial automation and information, knowledge of markets and vertical market segments, exposure to OT and IT and familiarity with operational processes across end markets (discrete, hybrid, continuous process), and experience in overseeing manufacturing operations or in developing, marketing, and delivering services/products to address manufacturing needs.	Experience in industrial automation and manufacturing industries is key to providing guidance on our growth and performance strategy. Directors with this type of experience provide insight on marketplace dynamics and key performance indicators to drive our strategic plan and business operations.	8
Relevant Technology and Innovation , including experience in leveraging software technology to solve customer issues, proficiency in commercializing disruptive innovations and developing innovative business models, and knowledge of digitalization, mobility, cybersecurity, data management and analytics, and integrated software/hardware.	Rockwell Automation is committed to enabling the next generation of smart manufacturing and The Connected Enterprise. As a company focused on technology and innovation, we value directors with technology experience and knowledge, who can provide important insights on our innovation strategy and execution of that strategy.	8
Sales and Marketing , including experience growing market share/revenue through innovative marketing and effective selling, a history of building brand awareness and equity, knowledge of how to enhance enterprise reputation and image, an understanding of the voice of the customer and the power of differentiating a brand in a way that is compelling to target customers, and experience in building durable and profitable new service revenue streams.	Rockwell Automation seeks to grow market share and build brand awareness. Directors with experience in marketing and selling provide effective oversight in this aspect of our growth and performance strategy.	4
Risk and Governance Oversight , including experience serving on other public company boards and/or committees; a history of overseeing, managing and mitigating risks, including cybersecurity, product security, regulatory compliance, intellectual property, and customer management; and an understanding of how to assess and develop strategies to address ESG matters, including corporate culture, sustainability, climate change, corporate responsibility, and social issues.	Rockwell Automation prioritizes corporate governance and responsibility. In the ordinary course of business we face various risks, including operating, regulatory compliance, information security, financial, and customer management. An understanding of these matters, and experience addressing them, is important for oversight of enterprise risk management and risk mitigation. Directors who have experience with ESG matters support our goals to ensure our culture with employees who care and need to do their best work and to contribute to the communities where we live and work.	10

BOARD REFRESHMENT, TENURE, AND DIVERSITY

A continuing priority of the Board is ensuring the Board is composed of directors who bring diverse perspectives and viewpoints and have a variety of skills, experiences, and backgrounds to enable the Board to effectively fulfill its governance responsibilities and represent the long-term interests of shareholders. The Board is mindful that director tenure is an important consideration in evaluating Board composition.

The Board recognizes the value of a diverse Board and thus has included diversity as a factor that is taken into consideration in its Board Membership Criteria. The Board believes that it is important that its members reflect diverse viewpoints so that, as a group, the Board includes a sufficient mix of perspectives to allow the Board to best fulfill its responsibilities to shareholders.

The Board believes that tenure should be discussed and evaluated by the Board from time to time and depends on the Board's current situation and the needs of the Company. The Board believes that it contains an ideal balance of newer and longer-tenured directors, so we get the benefit of both fresh perspectives and extensive experience. The Board's average tenure for continuing directors is six and a half years, with four directors added to the Board in the past four years. The Board believes its current tenure mix is appropriate for the Board at this time and recognizes the merits of a board with balanced tenure. Our directors with longer service are highly valued for their experience and Company-specific knowledge. They have a deep understanding of our business, provide historical context as the Board reviews and evaluates the Company's strategy, and enhance Board dynamics and the Board's relationship with management.

ROCKWELL AUTOMATION | FY2023 PROXY STATEMENT 22



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Key Examples

Walmart 2024 Proxy Statement



Skills are grouped into those relevant to oversight of strategy and those relevant to oversight of governance

Lockheed Martin 2024 Proxy Statement



Detailed explanations of "core competencies" and "strategic skills" before the matrix, and includes personal diversity features within the matrix

Proposal No. 1 Election of Directors

Board Skills Criteria and Qualifications

What qualifications do the Nominating and Governance Committee and the Board consider when selecting candidates for nomination?

At Walmart, we believe an effective Board should be made up of individuals who collectively provide an appropriate balance of distinguished leadership, diverse perspectives and viewpoints, strategic skills, and professional experience relevant to our business and strategic objectives.

The NGC selects potential candidates on the basis of outstanding achievement in their professional careers, broad experience and wisdom, personal and professional integrity, ability to make independent, analytical inquiries, experience and understanding of the business environment, willingness and ability to devote adequate time to Board duties, and such other experience, attributes, and skills that the NGC determines qualify candidates for service on the Board.

Because we take a shared-value approach and integrate environmental, social and governance ("ESG") priorities into our strategy, the Board believes that our approach of speaking directors with the skills and experience identified in the proxy statements has resulted in a Board of whose backgrounds, skills, and experiences are appropriate for oversight of our business strategy.

The NGC also considers whether a potential candidate satisfies the independence and other requirements for service on the Board and its committees, as set forth in the NYSE Listed Company Rules and the SEC's rules. Additional information regarding qualifications for service on the Board and the nomination process for director candidates is set forth in the NGC's charter and our Corporate Governance Guidelines, which are available on the Corporate Governance page of our website at <https://stock.walmart.com/governance/governance-documents/default.aspx>.

Director Skills Criteria:

The NGC and Board regularly review the skills and experiences relevant to our Board's role in our ongoing strategic transformation. Depending on the current composition of the Board and Board committees and expected future turnover on the Board, the NGC generally seeks director candidates with experience, skills, or background in one or more of the following areas:

Experience and Skills Relevant to the Successful Oversight of our Strategy

- Retail Experience:** As the world's largest retailer, we seek directors who possess an understanding of financial, operational, and strategic issues facing large retail companies.
- Technology or eCommerce Experience:** In order to support our strategic goal of leading in omnichannel physical and digital assets and capabilities, we seek directors with experience in related industries that can provide advice and guidance on the development, uses, and risks of technology, such as cybersecurity, artificial intelligence, e-commerce, and digital businesses.
- Global or International Business Experience:** Directors with broad international exposure provide useful business and cultural perspectives, and as a global organization, we seek directors with experience at multinational companies in international markets.
- Marketing or Brand Management Experience:** Directors with relevant experience in consumer marketing or brand management, especially on a global basis, provide important insights for our brand.

Experience and Skills Relevant to Effective Oversight and Governance

- Senior Leadership Experience:** Directors who have served in relevant senior leadership positions bring strategic experience and perspective. We seek directors who have demonstrated expertise in governance, strategy, development, financial management, workforce development, and succession.
- Regulatory, Legal or Risk Management Experience:** Our company's business requires compliance with a variety of regulatory requirements across a number of highly regulated industries, and it benefits from the perspectives of directors with governmental, public policy, legal, and risk management experience and expertise.
- Finance, Accounting, or Financial Reporting Experience:** We value an understanding of financial performance and reporting processes because of the importance our company places on accurate financial reporting and robust financial controls and compliance. We also seek to have multiple directors who qualify as audit committee financial experts.
- Board Diversity:** Diversity, equity and inclusion are values embedded in our culture and fundamental to our business. We believe that a broad composition of directors with diverse backgrounds, experiences, and perspectives and viewpoints increases the likelihood of creating the boardroom and contribute to overall Board effectiveness. To this end, the Board has adopted policies that all director candidates must include in their nominations. The Board also seeks the effectiveness of its oversight to Board diversity as part of the Board's committee evaluation process.

Proposal No. 1 Election of Directors

Summary of Director Nominee Qualifications and Experience

The chart below identifies the balance of skills and qualifications each director nominee brings to the Board. The fact that a particular skill or qualification is not designated does not mean the director nominee does not possess that particular attribute. Rather, the skills and qualifications noted below are those reviewed by the NGC as part of the Board succession planning process. We believe the combination of the skills and qualifications shown below demonstrates how our Board is well positioned to provide strategic advice and effective oversight to our management.

Director Nominee	Retail	Global or International Business	Technology or eCommerce	Marketing or Brand Management	Senior Leadership	Finance, Accounting, or Financial Reporting	Regulatory, Legal, or Risk Management
Cesar Conde							
Tim Flynn							
Sarah Frier							
Carb Harris							
Tom Horton							
Marissa Mayer							
Doug McElhin							
Brian Niccol							
Greg Penner							
Randall Stephenson							
Stewart Walton							
TOTAL	5	11	8	5	11	7	5

ABOUT LOCKHEED MARTIN VOTING ROADMAP CORPORATE GOVERNANCE DIRECTOR NOMINEES EXECUTIVE COMPENSATION AUDIT MATTERS STOCKHOLDER PROPOSALS OTHER INFORMATION

We seek directors with strategic skills, core competencies and attributes that align with the Company's business and mission

The core competencies and strategic skills that the Board values align with our mission and strategic objectives to Lead, Innovate, Drive and Grow to make 21st Century Security a reality. We believe the Board is more effective by collectively having a mix of these core competencies and strategic skills and these have been enhanced through recent refreshment and ongoing director development.

CORE COMPETENCIES

- Senior Leadership Experience:** All directors have senior leadership experience. We look to have a balance of directors with public company CEO leadership experience, public company CFO experience and other experience managing large, complex organizations.
- Financial Expertise:** All directors have the ability to understand financial statements. Directors who qualify as an "audit committee financial expert" have additional education and experience that enables them to provide additional oversight of financial statements and capital allocation decisions as well as important financial matters in measuring our performance.
- Senior Military / Government Experience:** Directors with experience serving in senior military or government roles bring an important perspective, a background in managing large, complex diverse organizations and understanding of our customers and relevant policy issues.
- AI, Autonomy, Advanced Comms, Hypersonic, Space:** Social and Governance Experts. Directors with experience in social and governance expertise, including employee safety and health, climate-related risks, political risks and cybersecurity, play an important role in the Board's oversight of risks and the Company's sustainability initiatives.

STRATEGIC SKILLS

- Lead:** 21st Century Security / Defense Industry Transformation. We are leading transformation in our industry to support our customers' needs for rapid, advanced solutions to promote deterrence and address an evolving landscape of air, space, cyber, and data. Our 21st Century Security strategy seeks the best of our defense and commercial technology and business practices to make force, agile, adaptive and credible, so that we are ready for any mission—today and in the future. Directors with experience in leading transformation in the defense, commercial and telecom sectors provide important perspectives as we execute industry partnerships and bring these sectors together to deliver transformational capabilities for national defense.
- Innovate:** AI, Autonomy, Advanced Comms, Hypersonic, Space, Advancing and Deploying Technologies including AI, Autonomy, Advanced Communications, Hypersonic and Space are key priorities for the Company. Directors with technology and mission focused backgrounds contribute to an understanding of these technology priorities and our oversight of key investments in these areas.
- Drive:** Operational Execution and Efficiency. Our future success requires us to drive a culture of operational excellence, efficiency and consistent performance. Directors with experience in areas such as complex manufacturing and other large, complicated operations contribute to the understanding of these challenges.
- Grow:** International Business Expansion. We are a global business with a presence in more than 50 countries. One of our key growth priorities is to expand our business internationally. Directors with commercial and international business experience contribute to our understanding of these opportunities.
- Supply Chain Excellence:** Lockheed Martin has a diverse and complex multi-tiered supply chain that is critical to our success. Directors with experience in the management of relationships with suppliers provide important perspectives on managing supply chain challenges and driving its affordability and resiliency.
- M&A Expertise:** We look to leverage inorganic growth and portfolio alignment by pursuing strategically aligned targets with vertical, horizontal and other investments as well as dispositions. Directors with mergers and acquisitions experience contribute to the Board's understanding of these opportunities.

ABOUT LOCKHEED MARTIN VOTING ROADMAP CORPORATE GOVERNANCE DIRECTOR NOMINEES EXECUTIVE COMPENSATION AUDIT MATTERS STOCKHOLDER PROPOSALS OTHER INFORMATION

Our directors' strategic skills, core competencies and attributes complement each other and enable effective oversight

The chart below illustrates how the director nominees individually and collectively represent the key skills and competencies that the Board has identified as valuable. Our directors possess familiarity with all of the skills and competencies set out below, and we have identified those areas where they demonstrate particular skills and competence. The chart also provides the personal attributes of the director nominees. Director nominees are listed by tenure in descending order from left to right.

		Senior Military / Government Experience	AI, Autonomy, Advanced Comms, Hypersonic, Space	Operational Execution and Efficiency	Supply Chain Excellence	International Business Expansion	Business Model / Commercial Partnerships	M&A Expertise	Senior Leadership Experience	Financial Expertise	Environment, Social and Governance Expertise	Cybersecurity Expertise	Senior Military / Government Experience	Race / Ethnicity	Veterans of the U.S. Armed Forces	Gender	Age	Tenure (rounded years)	
Strategic Skills	Lead	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	21st Century Security / Defense Industry Transformation	White	White	M	68	16	
	Innovate	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	AI, Autonomy, Advanced Comms, Hypersonic, Space	White	White	M	58	14	
	Drive	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	Operational Execution and Efficiency	White	White	M	64	9	
	Grow	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Business Model / Commercial Partnerships	Black	White	F	66	8	
	Core Competencies	Senior Leadership Experience	CEO and CFO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	White	White	M	68	14	
		Financial Expertise	CEO and CFO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	White	White	M	68	14	
		Environment, Social and Governance Expertise	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	White	White	M	68	14	
		Cybersecurity Expertise	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	Chair and CEO	White	White	M	68	14	
	Attributes	Race / Ethnicity	White	White	White	White	Black	White	White	White	White	White	White	White	White	White	White	White	White
		Veterans of the U.S. Armed Forces	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Gender		M	M	M	F	F	M	M	M	M	M	M	M	M	M	M	M	M	
Age	68	65	74	70	64	66	63	67	66	67	67	67	63	68	65	74	70	64	
Tenure (rounded years)	16	14	9	8	6	6	6	6	4	4	4	3	1	11	10	6	10	15	



Board Nomination Policies and Practices

Proxy disclosures around building an effective board expanded in a piecemeal way, adding discrete sections to respond to investor interest in the nomination process, retirement policies, and refreshment and board evaluation practices. More recently, companies are consolidating these previously disjointed sections to create a more comprehensive governance overview. Companies are explaining how their policies and practices work together to support ongoing and robust board succession planning and refreshment.

What to Think About

Investors are looking to see that the composition of the board is in a continual state of review and adapting to the company's evolving strategic needs. Best practice companies discuss the process for evaluating current board composition and whether the directors continue to reflect the right mix of skills, experience and attributes (i.e. diversity demographics).

Investors also want assurance that the board is continually engaging in director succession planning to account for both planned and unplanned departures.

With these investor needs in mind, we believe the best nomination disclosures have the following elements:

- **Wholistic approach:** As noted above, a company should make clear that incumbent directors are not

automatically re-nominated and that assessing current board composition and individual directors is the first and ongoing step in the nomination process.

- **Role of board evaluations:** Evaluations may ask directors for input on the performance of their peers and/or skills needed on the board. Where evaluations include these topics, we recommend discussing the process with the other board composition disclosures. A few companies have even noted that they have not renominated a director based on a director evaluation.
- **Location:** Include within, or in close proximity to, the "election of directors" section to convey that the current slate of nominees is a product of the board's ongoing and robust attention to its composition.
- **Related policies and practices:** If relevant, highlight retirement age, term limits, and/or diversity commitment policies that impact current or future board composition.
 - Some companies have begun disclosing the skills they are looking to add to the board.
- **Graphics and callouts:** Use design elements to highlight both the process for identifying and vetting new nominees, as well as the results of recent board refreshment (i.e., impact on tenure, diversity and skills)
- **Shareholder nominations:** To round out the nomination process discussion, include information about shareholder nominations and proxy access (if applicable) here, or provide a cross-reference.

Labrador Transparency Award Criteria

- The document includes a dedicated section, subsection or callout discussing director succession planning/refreshment.
- The document includes a dedicated section, subsection or callout discussing the board's view on director tenure and/or any retirement age or term limit policies.
- The document discusses considerations for re-nomination of incumbent directors.
- The process for vetting new director candidates is depicted in a graphic or using other visual elements.
- Key aspects of shareholder nomination rights are discussed in the context of other governance policies and practices.



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Looking Ahead

In light of continued investor interest in board leadership and their independence from management, companies should consider enhancing their disclosure about the succession planning process for board leaders, including outlining any term limits for lead directors or committee chairs.

Investors also have recently focused on over-boarding and expect disclosure not only about policies that limit the number of boards a director may serve on, but also how the board considers director time commitments.

Benchmarking

Board Nomination Policies And Practices

67.0%

The document includes a section discussing succession planning/refreshment



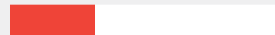
64.0%

The document includes a section discussing director tenure and/or retirement age or term limit policies



32.0%

Process for vetting new director candidates is depicted in a graphic or other visual elements





Key Examples

Freeport-McMoRan 2024 Proxy Statement

Graphic and straightforward discussion of recent Board refreshment, including steps in evaluating Board composition and appointing new directors

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Board Composition and Refreshment

Our Board currently consists of 12 members, 10 of whom the Board has affirmatively determined are independent. Each of our current directors has been nominated to stand for reelection at our 2024 annual meeting. Since 2019, we have significantly refreshed our Board, adding eight new directors to the Board, seven of whom are independent, and successfully achieved our Board refreshment objectives focused on thoughtfully enhancing the composition and size of the Board, decreasing our average director tenure and age, increasing the gender, race and ethnic diversity of our Board, and adding CEO experience, independent director experience, international experience, accounting and financial expertise and sustainability / ESG expertise, including climate expertise. Our multi-year refreshment strategy allows us our commitment to have a Board with requisite and diverse experience, a deep understanding of the challenges and opportunities associated with our global business and a focus on value and sustainability for the benefit of all stakeholders.

BOARD REFRESHMENT
Since 2019

8 new directors have joined our board
7 of whom are independent

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Director Recruitment and Nomination Process

Our governance committee oversees the director recruitment and nomination process. The governance committee identifies, and formally considers and recommends to the board, candidates to be nominated for election to the board at each annual meeting of stockholders or as necessary to fill vacancies and newly created directorships through the process described below.

- Annual Evaluation of Board Composition**
 - As part of its annual review of the composition and size of our Board, the governance committee considers our company's strategy and needs, our then-current director collection (including experience, expertise and diversity (including tenure and age) and the specific qualifications, attributes, skills and experience our Board needs relative to potential candidates.
- Identify Potential Director Candidates**
 - If the governance committee determines that there is a need for a new director, individuals may be identified through a variety of means, including by our executive management, stockholders and/or an independent search firm. Each candidate brought to the attention of the governance committee, regardless of who recommended such candidate, will be equally considered.
- Review Pool**
 - In evaluating the suitability of candidates, the governance committee considers personal and professional integrity; general understanding of the company's industry, relations and professional background; independence; diversity; experience in corporate finance and other matters relevant to the successful management of a large publicly traded company in today's business environment; flexibility and willingness to work cooperatively with other members of the board and with senior management and to devote adequate time to duties of the board, including in accordance with the company's director commitment policy.
 - The governance committee also evaluates each candidate in the context of the board as a whole, with the objective of recommending nominees who can best advance the long-term success of the business, in effective director in conjunction with the full board, and represent stockholder interests through the exercise of sound judgment using their diversity of experience in their various areas.
- In-Depth Review**
 - Candidates interview with each of the chairmen of the board, the lead independent director and the chair of the governance committee, as well as our CEO.
 - Due diligence is performed, including background and conflict checks, review of director commitment letters, references and feedback from other directors and the independent search firm.
- Governance Committee Recommendation to the Board**
 - The governance committee reviews a candidate's independence, time commitments and all due diligence results and recommends potential director nominees to the board for approval.
- Board Nomination**
 - The board reviews the recommendations of the governance committee and approves either the candidate's appointment to the board or the candidate as a director nominee, as applicable.

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Stockholder Recommendations and Nominations

The governance committee will consider candidates proposed for nomination by our stockholders. Stockholders may propose candidates by submitting the names and supporting information to Corporate Secretary, Freeport-McMoRan Inc., 222 North Central Avenue, Phoenix, Arizona 85004. Supporting information must include (1) the name and address of the candidate and the proposing stockholder; (2) comprehensive biography of the candidate, including any self-identifying diversity characteristics, and an explanation of why the candidate is qualified to serve as a director taking into account the criteria identified in our corporate governance guidelines; (3) proof of ownership, the class and number of shares, and the length of time that the shares of our listing securities have been beneficially owned by each of the candidate and the proposing stockholder; and (4) a letter from the candidate stating his or her willingness to serve, if elected as a director.

In addition, our by-laws permit stockholders to nominate directors for consideration at an annual meeting of stockholders and, under certain circumstances, to include their nominees in our proxy statement. For a description of the process for nominating directors in accordance with our by-laws and under the applicable rules and regulations of the SEC, see "2025 Stockholder Proposals and Director Nominations."

Board Oversight

Board's Role in Oversight of Strategy and Risk Management

While our management is responsible for the day-to-day management of risk, our board and its committees are actively engaged in overseeing our strategy and take an active role in risk oversight.

- The board oversees the strategic direction of the company and in doing so considers the potential rewards and risks of our business opportunities and challenges, and monitors the development and management of risks that impact our strategic goals.
- The board as a whole is responsible for risk oversight at the company, with reviews of certain areas being conducted by the relevant board committees that regularly report to the full board.
- In its risk oversight role, the board reviews, evaluates and discusses with appropriate members of management whether the risk management processes designed and implemented by management are adequate in identifying, assessing, managing and mitigating material risks facing the company, including financial, operational, social and environmental risks.

The board believes that full and open communication between senior management and the directors is essential to effective risk oversight. Our lead independent director regularly meets with our chairman and CEO to discuss a variety of matters, including business strategies, opportunities, key challenges and risks facing the company, as well as management's risk mitigation strategies.

Freeport



Key Examples

Mondelez 2024 Proxy Statement

Comprehensive discussion to start "Item 1: Election of Directors" entitled "How We Build an Experienced and Qualified Board"

East Group 2024 Proxy Statement

Uses a balance of text and graphics to discuss board composition and refreshment, ending the section with an infographic detailing the results of recent refreshment efforts

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ITEM 1. ELECTION OF DIRECTORS

HOW WE BUILD AN EXPERIENCED AND QUALIFIED BOARD

OBJECTIVE

The Governance Committee works with the Board to determine the appropriate mix of individuals to form a Board that is strong in its collective knowledge, competencies and experiences.

HOW WE GET THERE

The Governance Committee identifies, evaluates and recommends to the Board director nominees for election at the Annual Meeting. The Governance Committee has retained a third-party executive search firm to assist in identifying and evaluating potential director nominees based on the Board's recruitment objectives.

The Governance Committee considers the factors below when selecting and recruiting directors in the annual nomination process. This year, the Board is nominating ten incumbent directors and one new director nominee. Mr. Booth will not stand for re-election at the Annual Meeting.

Relevant Qualifications, Knowledge and Experience

The Board believes all directors should possess certain attributes, including integrity, sound business judgment and strategic vision. In these characteristics are necessary to establish a competent, ethical and well-functioning board that best represents shareholders' interests.

Individual Director Self-Assessments

The Board believes that directors should not expect to be recommended automatically, and that directors' qualifications and performance should be evaluated annually.

Board Refreshment Through Director Tenure and Age Limits

The Board believes it is helpful to have a balance of long-term members with in-depth knowledge of our business and new members who bring valuable skills and fresh perspectives.

Consistent with our Guidelines, when evaluating the suitability of an individual for nomination to our Board, the Governance Committee considers:

- the candidate's general understanding of the varied disciplines relevant to the success of a large, publicly traded company in today's global business environment;
- the candidate's understanding of the Company's global businesses and markets;
- the candidate's professional experience and educational background;
- other factors that promote diversity of views, knowledge, experience and backgrounds, including diversity with respect to demographics such as gender, race, ethnicity, national origin and geography;
- whether the candidate meets various independence requirements, including whether his or her service on boards and board committees of other organizations is consistent with our conflicts of interest policy; and
- whether the candidate can devote sufficient time and effort to fulfill a director's responsibilities to the Company given his or her other commitments.

The annual Board and director self-assessment processes are important determinants in a director's re-election and tenure. Annually, all incumbent director nominees complete questionnaires to update and confirm their background, qualifications and skills, and to identify any potential conflicts of interest. The Governance Committee, in coordination with the Independent Lead Director, assesses the experience, qualifications, attributes, skills, diversity and contributions of each director. The Governance Committee also considers each individual in the context of the Board composition as a whole, with the objective of recruiting and recommending a slate of director nominees who can best sustain the Company's success and represent our shareholders' interests through the exercise of sound judgment and informed decision-making.

Our Guidelines provide that non-employee directors have a term limit of 15 years. In addition, non-employee directors will not be nominated for re-election to the Board after they reach age 75. The current Board composition reflects the Board's commitment to ongoing refreshment and the importance of maintaining a balance of tenure and experience.

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The Board Seeks and Values Diversity

The Board's overall diversity is an important aspect of the director recruitment and nomination process.

The director nominees include four women, represent several national origins, vary in age from 57 to 74, and collectively bring a range of professional and life experiences to the Board. One self-identifies as Asian, three self-identify as Black and seven self-identify as white. Ms. Price, our new director nominee, will bring additional diversity to our Board.

When assembling the pool of candidates from which directors are selected, the Governance Committee considers criteria including gender, race, ethnicity, national origin and geographic location, as diversity in those characteristics provides a breadth of views, knowledge, experience and backgrounds that contributes to more informed and effective decision-making. As part of the search process for each new director, the Governance Committee actively seeks out (and instructs any search firm it engages to seek out) women and minority candidates to include in the pool from which director nominees are chosen. The Governance Committee assesses the effectiveness of the Board's efforts to promote diversity as part of its annual assessment of the Board's composition.

This year, the Board is nominating ten incumbent directors and one new director nominee, **Paula A. Price**, former Executive Vice President and Chief Financial Officer of Macy's, Inc. Ms. Price will bring to the Board a wealth of expertise pertaining to finance, business development and operational strategy. Mr. Booth is not standing for re-election in accordance with the Company's mandatory retirement policy for directors and will retire at the Annual Meeting, and the Board thanks him for his valuable service.

BOARD COMPOSITION: DIRECTOR QUALIFICATIONS, KNOWLEDGE AND EXPERIENCE

Based upon its discussions with the Board, the Governance Committee has identified seven key director competencies that are desirable in order for the Board to fulfill its current and future obligations.

Key Competencies	Relevant Experience
INDUSTRY EXPERIENCE	Industry Experience is vital to reviewing and understanding strategy, and the connections between strategy and the potential acquisition of businesses that offer complementary products or services.
OPERATING EXPERIENCE	Significant Operating Experience as a current or former executive of a large global company or other large organization gives a director specific insight and expertise that will foster active participation in the development and implementation of the Company's operating plan and business strategy.
LEADERSHIP EXPERIENCE	Leadership Experience gives a director the ability to motivate, manage, and identify and develop leadership qualities in others and promotes strong critical thinking and verbal communication skills, as well as diversity of views and thought processes.
SUBSTANTIAL GLOBAL INFERENCE AND OTHER INTERNATIONAL EXPERIENCE	Substantial Global Business and Other International Experience are important given the Company's global presence.
ACCOUNTING AND FINANCIAL EXPERTISE	Accounting and Financial Expertise enables a director to analyze financial statements, capital structure and complex financial transactions, and oversee accounting and financial reporting processes.

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Proposal 1: Election of Directors

Board Composition and Refreshment

Our Board has an ongoing director succession planning process designed to provide for a highly independent, well-qualified Board, with the diversity, experience and background to be effective and to provide strong oversight. Our Board regularly evaluates the needs of the Company and values a mix of new directors, who bring fresh perspectives and enhanced skills, and longer-serving directors who provide continuity and experience with our strategies and risk management processes.

Board Evaluation

Our Board recognizes that a regular Board and committee evaluation process is an essential component of Board effectiveness and thoughtful Board refreshment. On an annual basis, each of our directors completes an overall Board evaluation and an evaluation for each committee on which the director serves. The Nominating and Corporate Governance Committee oversees the evaluation process.

QUESTIONNAIRE

- Directors are asked to provide an effectiveness rating to a variety of Board actions and processes.
- Directors are able to provide anonymous comments on a variety of Board and committee matters.

DISCUSSION

- The Nominating and Corporate Governance Committee discusses the findings of the Board assessments.
- Each committee discusses the findings of its committee assessment.

EVALUATION RESULTS

- The Nominating and Corporate Governance Committee reports the findings to the full Board.
- Feedback is taken into consideration as the Board carries out its duties.

Nominating Procedures

In identifying suitable candidates for nomination as a director – whether new candidates or incumbent directors – the Nominating and Corporate Governance Committee considers the needs of the Board and the range of skills and characteristics required for effective functioning of the Board. The Committee regularly discusses director succession and refreshment of the Board to further cultivate diversity of skill sets, experiences, backgrounds and demographics.

GENERAL CONSIDERATION

In evaluating the suitability of individual board members, the Nominating and Corporate Governance Committee takes into account many factors, including experience in the real estate industry; understanding of finance and accounting; exposure to decisions relevant to the success of a public company, such as capital markets, finance, investor relations, and corporate governance; experience in real estate development and construction; and diversity (including diversity of gender, race, ethnicity, age, sexual orientation, skill sets, background and experience), and other considerations memorialized in our Corporate Governance Guidelines.

RELEVANT SKILLS AND EXPERIENCE

Current members of the Board with skills and experience that are relevant to the Company's business and who are willing to continue in service are considered for re-nomination.

SUGGESTIONS

In addition, the Nominating and Corporate Governance Committee will consider nominees suggested by incumbent Board members, management, shareholders and, in certain circumstances, outside search firms, as such, shareholders may influence the composition of the Board.

Proposal 1: Election of Directors

OUR COMMITMENT TO BOARD DIVERSITY

Our Board believes that it is in the Company's and shareholders' best interest that the Board be comprised of directors with diversity of thought, opinion, skill sets, backgrounds, gender and ethnicity. In April 2023, the Board amended our Corporate Governance Guidelines to reflect that, in evaluating candidates, the Board will consider diversity (including diversity of gender, race, ethnicity, age, sexual orientation and gender identity) as a deemed appropriate given the current needs of the Board and the Company. Additionally, in identifying potential independent director candidates, the Nominating and Corporate Governance Committee will include in its initial list for consideration for any vacancy on the Board one or more qualified candidates who reflect diverse backgrounds, including diversity of gender and race or ethnicity. Two of our directors are women, and one of our directors identifies as a racial minority. In 2021, the Nominating and Corporate Governance Committee engaged Korn Ferry, a third-party search firm, to assist the committee in the identification and recruitment of an experienced, ethnically diverse candidate for our Board. Korn Ferry recommended Mr. Fields, along with various potential other candidates, and in February 2022, Mr. Fields was appointed to our Board.

Consideration of New Nominees

COLLECT CANDIDATE POOL

- The Nominating and Corporate Governance Committee considers candidates brought forth by incumbent Board members, management and shareholders.
- The Nominating and Corporate Governance Committee has also previously engaged, and may in the future engage, an outside search firm to assist in identifying qualified candidates.

REVIEW CANDIDATES

- The Nominating and Corporate Governance Committee reviews the candidate pool to identify candidates it believes are best suited to serve as a director.
- The Nominating and Corporate Governance Committee and other directors and members of management interview candidates.

RECOMMEND TO BOARD

- After interviewing and discussing candidates, the Nominating and Corporate Governance Committee recommends a candidate's nomination to the full Board.
- The Board evaluates and approves the new director.

Shareholder Recommendations

In accordance with the nominating procedures outlined above, the Nominating and Corporate Governance Committee will consider written recommendations for potential nominees suggested by shareholders. Any such person will be evaluated in the same manner as any other potential nominee for director. Any suggestion for a nominee for director by a shareholder should be sent to the Company's Secretary at 400 W. Parkway Plaza, Suite 100, Ridgeland, Mississippi 39157, within the time periods set forth under the heading "About the 2024 Annual Meeting – How do I submit a proposal for the 2025 Annual Meeting?"

Refreshment and Succession Planning

As a result of our commitment to thoughtful Board refreshment and enhanced Board diversity, we have added three new directors since 2017 and enhanced the composition of our Board in recent years. Since 2020, we have:

Doubled

the number of women on our Board (from one to two)

Two

new diverse directors

By six years⁽¹⁾

Reduced average director nominee age

By 11 years⁽¹⁾

Reduced average director nominee tenure

Enhanced

The Board Skills Added to Corporate Sustainability Capabilities and Regulatory/Legal/ESG

We continue to seek Board refreshment and to enhance the diversity of perspectives on our Board.

⁽¹⁾ Director nominees ending our CEO, Marshall A. Loeb

24 EastGroup Properties



Key Examples

Allstate 2024 Proxy Statement

Discusses the process for selecting new director candidates separately from determining whether to re-nominate incumbent directors: Board Nomination Process (under Board Composition) and Board Re-Nomination Considerations (under Board Effectiveness)

Prologis 2024 Proxy Statement

Although does not utilize many graphics, "Board Evaluations and Process for Selecting Directors" provides an in-depth discussion of the company's commitment to Board refreshment

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2024 Proxy Statement Corporate Governance

Board Nomination Process
The Board continually considers potential director candidates in anticipation of retirements, resignations or the need for additional capabilities. Below is a description of the ongoing process to identify highly qualified candidates for Board service.

Board nominees are identified through a retained search firm, suggestions from current directors and shareholders and through other methods, including self-nominations. Our newest director, Mr. Morris, was recommended by a current director.

The nominating, governance and social responsibility committee will consider director candidates recommended by a shareholder in the same manner as all other candidates recommended by other sources. A shareholder may recommend a candidate at any time of the year by writing to the Office of the Secretary, The Allstate Corporation, 3100 Sanders Road, Northbrook, IL 60062, or by email submission to invest@allstate.com.

A shareholder or group of up to 20 shareholders owning 1% or more of Allstate's outstanding common stock continuously for at least three years can nominate director candidates constituting up to 20% of the Board in the company's annual meeting proxy materials.

- Evaluate Board Composition** Ensure Board is strong in core competencies of strategic oversight, corporate governance, shareholder advocacy and leadership and has diversity of skills, expertise and perspectives to meet existing and future business needs
- Assess Potential Candidates** To ensure appropriate personal qualities, such as independence of mind, tenacity and skill set to meet existing or future business needs and strategic priorities
- Consider Diversity** The Board considers a number of demographic factors to develop a Board that, as a whole, reflects diverse representation, viewpoints and backgrounds
- Meet with Qualified Candidates** To ensure alignment with Board culture, effectiveness and excellence
- Check Conflicts of Interest and References** All candidates are screened for conflicts of interest and independence
- Nominating, Governance and Social Responsibility Dialogue** To consider shortlisted candidates, and after deliberations, recommend candidates for election to the Board
- Board Dialogue and Decision** Added four highly qualified directors in the past five years

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2024 Proxy Statement Corporate Governance

2023 Annual Evaluation Feedback and Action Items

01 Strategy and Operational Oversight
Directors led the three-day strategy session to be highly effective. Directors value the frequent updates on financial results, Transformation Direct, succession planning, cybersecurity and sustainability priorities. **Action Items:** Management will provide additional "deep dives" on the strategy priorities. CEO succession planning and senior leadership development will remain focus areas.

02 Board Structure and Culture
Directors appreciate the transparency in the Board room and believe the dialogue appropriately challenges management and leads to effective oversight. Directors value the use of outside questions on key strategic matters. **Action Items:** Presentations and agendas will be balanced to ensure adequate time for critical discussion. External speakers will continue to be utilized, including for competitive market, climate and artificial intelligence topics. Diversity will continue to be prioritized with a balanced Board composition.

03 Information and Resources
Directors appreciate the executive summaries at every meeting and value the context dialogue. Directors value the use of outside questions on key strategic matters. **Action Items:** Presentations and agendas will be balanced to ensure adequate time for critical discussion. External speakers will continue to be utilized, including for competitive market, climate and artificial intelligence topics.

Board Re-Nomination Considerations
The Board recognizes the importance of evaluating individual directors and their contributions to the Board in connection with re-nomination decisions. In considering whether to recommend re-nomination of a director for election, the nominating, governance and social responsibility committee conducts a detailed review, considering several factors.

Evaluation of Board Composition

- Essential characteristics
- Shareholder feedback
- Performance
- Enabling strategy and risk and return profile
- Time commitment
- Board and director evaluations
- Attendance and participation
- Diversity

How the Board Considers Each Factor

Essential characteristics	Whether the director continues to possess the core competencies and additional capabilities necessary to ensure continued success of the Board	For more information
Enabling strategy to the effective oversight of Allstate's business and strategic priorities	The extent to which the director's skills, perspectives and experience (including that gained due to service on the Board) continue to contribute to the effective oversight of Allstate's business and strategic priorities	pages 45-49
Performance	Feedback received during the annual Board evaluation and discussions between each individual director and the Lead Director, nominating, governance and social responsibility committee chair and Board Chair	pages 58-59
Attendance and participation	Attendance at, and participation during, Board and committee meetings	page 43
Diversity	The extent to which the director contributes to the diversity of the Board	page 40
Time commitment	Outside board and other affiliations, including overlapping commitments, time commitment and potential conflicts of interest or independence concerns	page 36
Board and director evaluations	Whether the director has reached the retirement age specified in Allstate's director retirement policy	N/A
Shareholder feedback	Feedback received from shareholders, including support received during the most recent annual shareholder meeting	page 62

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board Evaluations and Process for Selecting Directors

Rigorous Board evaluation and refreshment process

Our annual Board evaluation process involves assessments by the Board, Board committee and individual director levels. Through this process, the Board determines who should be nominated to stand for election based on current company and Board needs.

- Directors identify key skills and characteristics currently needed for the Board, as well as provide information relating to Board composition and planning.
- Director interview questions are prepared based on current areas of focus, as well as feedback from our stockholder advisory efforts.
- Annual one-on-one director interviews are conducted by our lead independent director and chair of the Governance Committee and, every other year, by an independent third party.
- The results of the director interviews are aggregated by our lead independent director, Governance Committee chair and, if applicable, the independent third party and reported to the Governance Committee and then to our full Board. Our Board follows up on items identified in the evaluation process.

Our Governance Committee discusses Board succession and reviews potential candidates. This process is based on the results of annual Board evaluations and takes place throughout the course of the year.

- Our director candidates search process identifies and assesses a pool of potential candidates through a variety of sources, primarily through internal referrals. Although the committee may retain third parties to assist in identifying potential candidates, it profiles internal referrals by directors who understand the needs and dynamics of the Board, with a particular focus on diversity and inclusion of talent and backgrounds.
- In 2021, we implemented a director/CEO recruitment diversity policy that requires the Governance Committee to consider (and any search firm to search) ethnic- and gender-diverse candidates in Board director searches and recruitment for external CEO candidates.
- Our governance policies also ensure regular Board refreshment, providing that directors will not be nominated or appointed to the Board if they are, or would be, 75 years or older at the time of the election or appointment.

2024 Board evaluation feedback

Key feedback from our Board evaluation process:

- Noted the high-functioning nature of the Board and strong leadership of our lead independent director and committee chair. In particular, recognized the contributions of George Fiolakis, chair of our Compensation Committee, to stockholder outreach and improvement of our executive compensation programs over the past year.
- Focused on successive succession planning and, in connection therewith, creating directors with deep institutional knowledge to support the company's C-suite transition.
- Also focused on director succession planning, to ensure transition of applicable Board leadership positions and increasing and retaining director expertise that aligns with our current business needs, prioritizing (1) that directors exhibit at least executive experience, (2) expertise that supports our core and main business areas (B) experience that supports our Public/Essential business, such as related to energy and to delivering customer-centric products, services and/or solutions.
- Recognized the strength of our CEO and management.
- Indicated that there were no concerns about Board independence or longer tenured directors.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Regular Board refreshment

The Board is committed to regular refreshment to maintain an optimal balance of different perspectives, skills and backgrounds. We have onboarded six new directors and continued a refresh in the past nine years, increasing the ethnic, gender and geographical diversity of the Board, as well as breadth of experience.

The Board was completely refreshed and rebuilt at the time of the MergerP in 2011. The Merger essentially created a new company with a new operating and corporate platform. At that time, all director positions were reviewed to determine which directors would best fit the newly created combined company. Each director subject to this refreshing process was onboarded as a new director to the newly established company. These directors were required to perform in a new governance environment with new structures, processes, committees and guidelines.

We have continued to refresh the Board since the Merger. David O'Connor onboarded as a new director in 2015, Oliver Femi in 2017, Cristina Bina and Philip Hawken in 2018, Avni Moghila in 2020 and James Connor in 2022. In 2020, Mr. Hawken took a position as executive chairman of a U.S. startup and main portfolio company and, as a result, decided to step down from our Board. Mr. Moghila is a new director candidate for 2024 annual election. Mr. Moghila led Morgan Stanley's real estate investment banking business for approximately two decades. His substantial background in real estate finance and experience advising on notable transactions will support our core and main business, Strategic Capital vehicles and REITs, and capital markets strategies.

As a result of our regular Board refreshment, the directors continued to elect at our 2024 annual meeting comprise an appropriate mix of tenures. Four directors with up to six years of tenure, four directors with tenure between six and 11 years and three with over 11 years of tenure. This mix balances experience and institutional knowledge with fresh perspectives.

The Board is focused on director succession planning. An director approach the maximum age limit and fast in our director age policy, the Board proactively formulates a plan to identify key leadership positions and maintain the appropriate balance of institutional knowledge on the Board. An director in "Good Qualifications," the Board continually assesses the current needs of the Board, based on the strategic position of the company, and the diversity and skill sets of the Board.

BALANCED DISTRIBUTION OF DIRECTOR TENURE⁽¹⁾

Seven new directors in last nine years⁽²⁾

(1) Directors continued to elect at our 2024 annual meeting of shareholders, including Mr. Moghila in the 0-6 year category.

(2) The entire Board was rebuilt in 2011 at the time of the merger. "Major" refreshment: ABB Property Corporation ("ABB") and Prologis (the "Prologis") and the merger of the entire Board resulted at that time. However, we include Mr. Moghila, Mr. Connor and Mr. Femi in the 12+ year category because they were directors of the target prior to the Merger.

(3) Includes Philip Simons, who joined our Board in 2018 and stepped down from our Board in 2020 to assume an executive director position at a U.S. industrial real estate company, and Mr. Moghila, a new director candidate.

PROLOGIS PROXY STATEMENT | MARCH 20, 2024 9



Key Examples

Goldman Sachs 2024 Proxy Statement

Discusses both ongoing Board refreshment as well as Board leadership succession planning; unique graphic on new director nomination process

American Express 2024 Proxy Statement

New director candidate evaluation graphic and detailed discussion

American Tower 2024 Proxy Statement

Board Refreshment infographic in proxy summary



CORPORATE GOVERNANCE—STRUCTURE OF OUR BOARD AND GOVERNANCE PRACTICES
YEAR-ROUND REVIEW OF BOARD COMPOSITION & BOARD LEADERSHIP SUCCESSION PLANNING

Year-Round Review of Board Composition & Board Leadership Succession Planning

Our Governance Committee seeks to build and maintain an effective, well-rounded, financially literate and diverse Board that operates candidly and collaboratively

In identifying and recommending director candidates, our Governance Committee places primary emphasis on the criteria set forth in our Corporate Governance Guidelines, including:

- Judgment, character, expertise, skills and knowledge useful to the oversight of our business;
- Diversity of viewpoints, backgrounds, work and other experiences and other demographics;
- Business or other relevant experience; and
- The extent to which the interplay of the candidate's expertise, skills, knowledge and experience with that of other members of our Board will build a strong and effective Board that is collegial and responsive to the needs of our firm.

Identifying and recommending individuals for nomination, election or re-election to our Board is a principal responsibility of our Governance Committee. The Committee carries out this function through an ongoing, year-round process, which includes the Committee's annual evaluation of our Board and individual director evaluations. Each director and director candidate is evaluated by our Governance Committee based on their individual merits, taking into account our firm's needs and the composition of our Board.

The Committee continues to focus on what skills are beneficial for service in key Board positions, such as Lead Director and Committee Chairs, and regularly evaluates potential successors for those positions (both on an emergency and longer-term basis).

To assist in its evaluation of directors and director candidates, the Committee may from time to time utilize as a discussion tool a matrix or focus list of certain skills and experiences that would be beneficial to have represented on our Board and on our Committees at any particular point in time and those that may be viewed as critical for service in a leadership role.

These ongoing processes position the Board to be able to act swiftly on succession-related matters, as the independent directors recently did in appointing Mr. Vitar as the Lead Director to succeed Mr. Ognjenik.

Our Governance Committee welcomes candidates recommended by shareholders and will consider these candidates in the same manner as other candidates. Shareholders wishing to submit potential director candidates for consideration by our Governance Committee should follow the instructions in *Frequently Asked Questions*.

Proxy Statement for the 2024 Annual Meeting of Shareholders | Goldman Sachs 23

14 2024 PROXY STATEMENT

The Nominating, Governance and Public Responsibility Committee Identifies and adds new directors using the following process:

- COLLECT CANDIDATE POOL**
 - Independent search firms
 - Independent director recommendations
 - Shareholder recommendations
- HOLISTIC CANDIDATE REVIEW**

Potential candidates are comprehensively reviewed and the subject of rigorous discussion during Nominating, Governance and Public Responsibility Committee meetings and Board meetings.

The candidates that emerge from this process are interviewed by members of the Nominating, Governance and Public Responsibility Committee and other Board members, including the Chairman and Lead Independent Director.

 - During these meetings, directors assess candidates on the basis of their skills and experience, their personal attributes and their expected contribution to the diversity of skills, experiences and backgrounds on our Board.
 - Extensive due diligence is conducted by third parties, including soliciting feedback from other directors and applicable persons outside the Company.
- RECOMMENDATION TO THE BOARD**
 - The Nominating, Governance and Public Responsibility Committee presents qualified candidates to the Board for review and approval.

Ideal Director Nominee Attributes

The Nominating, Governance and Public Responsibility Committee assesses potential candidates based on their history of achievement, the breadth of their business experiences, whether they bring specific skills or expertise in areas that the committee has identified as desired and whether they possess personal attributes and experiences that will contribute to the sound functioning of our Board.

Diversity is also a key consideration in our nomination and succession planning processes. Our Corporate Governance Principles provide that the Board should be diverse, engaged and independent. When reviewing potential director nominees, the Nominating, Governance and Public Responsibility Committee considers the holistic diversity of the Board, including gender, race, ethnicity, age, sexual orientation and nationality, and does not discriminate on any basis. Specifically, we seek individuals who:

- have established records of significant accomplishment in leading global businesses and large, complex organizations;
- have achieved prominence in their fields and possess skills or significant experience in areas of importance to our business strategy and expected future business needs;
- possess integrity, independence, energy, forthrightness, strong analytical skills and the commitment to devote the necessary time and attention to the Company's affairs;
- demonstrate they can constructively challenge and stimulate Management and exercise sound judgment;
- demonstrate a willingness to work as part of a team in an atmosphere of trust and candor and a commitment to represent the interests of all shareholders rather than those of a specific constituency; and
- will contribute to the diversity of skills, experience and backgrounds on our Board.

Process for Identifying and Adding New Directors

The Nominating, Governance and Public Responsibility Committee uses a professional search firm to help identify, evaluate and conduct due diligence on potential director candidates. A professional search firm supports the committee in conducting a broad search and lodging a diverse pool of potential candidates. The committee also maintains an ongoing list of potential candidates and considers recommendations made by the Board's independent directors.

In addition, the Nominating, Governance and Public Responsibility Committee considers shareholder recommendations for director candidates and applies the same standards in considering candidates submitted by shareholders as it does in evaluating all other candidates. Shareholders can recommend candidates by writing to the Nominating, Governance and Public Responsibility Committee in care of the Company's Corporate Secretary and Chief Governance Officer, whose contact information is on page 32. Shareholders who wish to submit nominees for election at an annual or special meeting of shareholders should follow the procedure described on pages 118.

Proxy Summary | Corporate Governance at American Express | Environmental, Social and Governance (ESG) | Audit Committee | Director Election and Compensation Discussion | Shareholder Engagement & Relations | Board Composition & Information | Other Information

PROXY STATEMENT SUMMARY

Each of our Board Committees consists of at least one female director and one director who identifies as part of a racial or ethnic minority group.

Our Corporate Governance Guidelines provide for the Nominating Committee to consider elements of background that incorporate diversity, including differences in skills, professional backgrounds and demographics such as gender, race, ethnicity, national origin, age, sexual orientation and gender identity. We are committed to board diversity and are proud of our leadership in this over the past decade. Our Board consists of individuals with diverse and complementary business, leadership and financial expertise. Most of our Directors have leadership experience at major U.S. and multinational companies, as well as experience on the boards of other companies and organizations, which provides an understanding of different business processes, challenges and strategies. In addition, many of our Directors have industry and public policy experience, which provides insight into issues faced by public companies.

Board Refreshment

Board Changes in the Past 3 Years	Diversity of Newly Added Directors	Skills of Newly Added Directors
5 new independent directors have been added to the Board since 2019	2 new directors are female	Cybersecurity Experience
4 independent directors ⁽¹⁾ have left the Board since 2019	2 new directors identify as part of a racial or ethnic minority group	Technology Experience
		Risk Management Experience
		Finance/Capital Allocation Experience

⁽¹⁾ Including Messrs. Dain and Thompson, who will not be standing for re-election at this year's Annual Meeting.

Corporate Governance Best Practices

No Stockholder Rights Plans	Independent Chairperson	Proxy Access (3% 3 years, 25% of Board)	No Supermajority Voting Provisions
Stockholders' Right to Act by Written Consent	All Directors Except One Management Director Are Independent	Stockholder Ability to Call Special Meetings (25% Ownership Threshold)	

AMERICAN TOWER CORPORATION 2024 PROXY STATEMENT



Key Examples

Healthpeak Properties 2024 Proxy Statement

Discusses as part of wholistic "Board Effectiveness and Strategic Evolution" section (selection, onboarding/education, self-evaluation and comp/refresh)

The image displays several key sections from the Healthpeak Properties 2024 Proxy Statement:

- Board Effectiveness and Strategic Evolution:** This section outlines the board's commitment to improving its effectiveness through a process of planning, evaluation, recruitment, and orderly refreshment. It details the 2024 Annual Meeting agenda, including Director Selection, Onboarding and Education, Board Self-Evaluation, and Board Composition and Refreshment.
- Proxy Access:** This section provides information on how shareholders can request to bring a proposal to the next annual meeting. It specifies that a shareholder must own at least 3% of the company's outstanding common stock for three years to nominate up to three directors.
- Board Self-Evaluation:** The board conducts an annual self-assessment to enhance its effectiveness. The 2023 evaluation focused on areas such as board composition, governance, and oversight. Key findings include that 3% of directors were identified for refreshment, 3 directors were identified for refreshment, and 20% of the board was identified for refreshment.
- Board Composition and Refreshment:** This section discusses the board's commitment to refreshing its composition and structure. It highlights the board's diversity in terms of gender, age, ethnicity, and professional background. The board also discusses the process of identifying and selecting potential director nominees.



Key Examples

Intel 2024 Proxy Statement



Leads "Board Compensation and Refreshment" section with an infographic that highlights ongoing focus and includes detailed discussions of each step in the process

Board Composition and Refreshment

The Governance Committee establishes procedures for director nominations and recommends candidates for election to the Board. The committee has a robust and ongoing process to assess the skills and make-up of the Board.

Annual Nomination Process

1 Regular Evaluation of Board Composition and Tenure

The Governance Committee and Board undertake an evaluation of the existing and future needs and skill sets of the Board in light of the company's evolving strategy and risk and return profile. The committee works to build a Board that is refreshed, whenever appropriate, strong in its core competencies, and has the appropriate skill set to advance each of Intel's strategic pillars. In addition to developing and maintaining a skills matrix, the committee receives input from stockholders through the stockholder engagement process and the vote support each director received during the most recent annual stockholder meeting.

The Governance Committee and Board believe that a mix of long-, medium-, and short-tenured directors promotes an appropriate balance of views and insights and allows the Board to benefit from both the historical, institutional knowledge that longer-tenured directors possess and the fresh perspectives contributed by newer directors. **As an alternative to term limits, the Board seeks to maintain an average tenure of 10 years or less for the non-employee directors as a group.**

The Board believes that its current mix of tenures represents an appropriate mix of new perspectives and deep institutional knowledge.

Tenure
(non-employee director nominees)

5.1 years
average tenure of non-employee director nominees

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2 Obtain Candidates from Various Sources

The Governance Committee typically retains a third-party search firm to identify potential candidates for consideration. In 2023, the committee retained a leading search firm to generate candidate pools with diverse perspectives, expertise, experiences, and backgrounds important to support Intel's near-term and longer-term Board composition needs and appropriate Board and committee succession plans, which included deep semiconductor industry and financial expertise. The committee reviews the candidate pipeline regularly. Such reviews resulted in the appointment in March 2024 of our newest director nominee, Stacy J. Smith, who was initially recommended to the committee by the retained independent search firm.

The Governance Committee specifically requests that the search firm work with organizations focused on identifying candidates with diverse backgrounds. Intel is also committed to focusing on board diversity more broadly through engagement with key partners. For example, Intel joined the **Thirty Percent Coalition (Coalition) in 2018**, whose initial focus was on increasing female board representation, and which focus expanded to women of color and currently advocates for gender, racial, and ethnic diversity on corporate boards. Through our partnerships, we aim to not only increase the available talent for our Board, but to also support increased board diversity across our industry.

The Governance Committee also considers suggestions from Board members and candidates proposed by stockholders and employees and evaluates them using the same criteria. A stockholder who wishes to suggest a candidate for the committee's consideration should send the candidate's name and qualifications to our Corporate Secretary, The Corporate Secretary's contact information can be found under the heading "Other Matters; Communicating with Us" on page 110.

3 Assess Candidates' Skills, Qualifications, and Commitments

All identified or suggested candidates are vetted by the search firm against the Governance Committee's criteria. For both new and incumbent nominees, the committee evaluates the skills, experiences, and insights that the candidate brings to the Board and whether the candidate has sufficient time to effectively serve on the Board. Among other factors, the committee considers:

- the number of public company board, committee, and leadership positions the nominee has and the voting guidelines of our top institutional investors and proxy advisory firms, and
- the location of the other entities in whose public company boards the nominee sits.

Our Corporate Governance Guidelines contain the following limits on the number of public company board commitments a director may have, including service on our Board and audit committee:

Director Category	Boards	Board Service Limits
Directors who are sitting CEO or an executive officer of a public company	2 boards	4 boards
Directors who are not a sitting CEO or an executive officer of a public company	4 boards	3 audit committees
All directors		

The Governance Committee reviews these guidelines periodically so that they remain appropriate and promote strong governance practices as intended.

All our nominees meet the public company board limitations established by the Board. For incumbent nominees, the Governance Committee also considers:

- board and committee meetings attendance (see page 33 for more information on director attendance expectations),
- the time and attention the nominee devotes to fulfilling Board and committee duties,
- the nominee's preparedness at and between meetings, and
- the extent and quality of the nominee's engagement with management and the Board.

Feedback received during the annual Board evaluations also informs the Board composition process and whether the directors' skill mix is appropriate. For a discussion of the annual Board evaluation process, see the next page.

Following the reviews outlined above, the Governance Committee and the Board affirmed that each director nominee has sufficient capacity to continue effectively serving on the Board and that their nomination is in stockholders' best interests.

24 intel

4 Evaluate Director Contribution and Value (Board Evaluation)

We are committed to providing transparency about our Board and committee evaluation process. The Chair of our Governance Committee, in collaboration with the Board Chair, is responsible for managing the annual process for evaluating the Board, its committees, and individual directors. From time to time, the Board utilizes the assistance of a third-party facilitator in the evaluation process.

In 2023, the Governance Committee Chair worked with our Chief Legal Officer (CLO) to review prior assessment processes and determine the best methodology. Working together, the Governance Committee Chair and CLO developed focus areas and questions to assess and improve the Board's performance. The evaluation process in 2023 consisted of two parts:

- an anonymous written questionnaire that provided for both numeric ratings and narrative responses, and
- interviews with individual directors conducted by the Governance Committee Chair.

The numeric ratings, narrative comments, and interview feedback were then aggregated and summarized by the Governance Committee Chair, who reported the results to the full Board in executive session and led the discussion of the performance of the Board, committees, and individual directors.

Areas of director feedback included:

- Board composition (skills, experiences, backgrounds and diversity), focus, and leadership,
- director appointment process and orientation/education,
- meeting agendas, content, flow and organization,
- Board committee structure, composition, and performance,
- Board culture and effectiveness of Board oversight,
- CEO and leadership talent development and succession planning, and
- individual director performance and contributions.

The annual evaluation process provided the Board with valuable insight regarding areas where the Board believes it functions effectively and, more importantly, areas where the Board believes it can continue to improve its effectiveness and oversight. Input in recent years has focused, among other things, on **optimization of the Board's time and the related structure and content of meeting materials to facilitate deeper dives into strategy and key areas of focus such as AI, as well as adding a mix of broad and deep industry experience and expertise to the Board, which has informed our recent Board refreshment efforts.**

In 2023, the Board supplemented its usual September deep-dive on strategy with additional in-depth sessions with management of each of the company's key business units, which was attended by a few designated directors. In early 2024, the Board, as part of its regular evaluation of committees and member rotations and skills, changed the composition of certain committees to enable the Audit Committee and Compensation Committee to meet concurrently to increase the time available for discussion in these meetings and in the subsequent Board meeting.

5 Check Independence, Conflicts of Interest, and References

All candidates and incumbent nominees are screened for conflicts of interest and independence. Proposed new directors are interviewed by the Governance Committee and members of the Board and references are checked.

The Board believes that a substantial majority of the Board should be independent of management and considers all relevant facts and circumstances in determining independence. For additional information with respect to the transactions considered in its independence determinations, see "Appendix C: Independence Related Matters" on page C-1.

Mr. Tan is deemed to not be independent because prior to joining the Board in 2022, he was a member of our Board's Technical Advisory Committee, and received \$125,000 during a consecutive 12-month period in consideration for his services, an amount that exceeds the Nasdaq threshold for an "independent" director. Mr. Gelsinger is also deemed to not be independent because he is our CEO.

The Board has determined that 11 of our 13 nominees are "independent" under the Board's guidelines for independence, which conform to the published listing requirements of Nasdaq. In addition, all directors who serve on the Audit Committee and Compensation Committee satisfy applicable SEC and Nasdaq committee-specific independence requirements and, in the case of the Audit Committee, applicable literacy requirements.

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6 Selection of Candidates and Diversity

After the above factors have been evaluated, which includes a review of the backgrounds and experiences of potential candidates, the Governance Committee and the Board will undertake a series of discussions for any Board nomination or new Board appointment. For new Board appointments, select candidates are interviewed by a number of directors. Our Board is committed to building a Board with diverse and complementary perspectives, skills, experiences, and backgrounds to enable the Board to represent stockholders' interests. In 2014, the Board formally adopted its **commitment to actively seek women and minority candidates, as well as candidates with diverse backgrounds, experiences, and skills, for evaluation as part of each undertaken Board search.** The Committee also seeks input from the Chief People Officer, who is responsible for Intel's Global Diversity and Inclusion efforts. The committee expresses its effectiveness in this regard as part of its annual Board evaluation process.

77% of director nominees have diverse backgrounds (gender, racial, ethnic, geographic, and/or a disability)

Board Diversity Matrix

Board Diversity	Female	Male
Directors (13 total)	5	8
Race/Ethnicity/Nationality/Other Forms of Diversity		
African American/Black	1	-
Asian/South Asian	1	2
White/Caucasian	3	6
Directors with a Disability	-	1
Directors Born Outside of the US	-	4

In the last five years, three of the seven new non-employee directors added to the Board were women. The Board recommends 13 nominees for election. On the following pages, we list the reasons for nominating each individual.

Director Nominees

Experience Summary

As a seasoned industry veteran with over 40 years of experience in semiconductor, software, and cloud computing and data storage industries and in his role as CEO, Mr. Gelsinger brings significant senior leadership, global, industry, human capital, sales, operating, business development and M&A, and public company board experience to the Board. Mr. Gelsinger has gained extensive operating and manufacturing, sales, emerging technologies, M&A, and information security experience from serving in a variety of senior management roles, including as CEO and COO, at leading multinational software, information security and computing companies like VMware and EMC. Having led the corner of Intel, he has over 30 years of direct knowledge and experience in Intel's culture, business development, strategy, and growth. Mr. Gelsinger also brings human capital and technical experience from the various senior leadership roles.

Executive Roles

- Intel (2002-Present, 1978-2009)
- Director and CEO (2023-Present)
- SVP Co-CEO, Digital Enterprise (2005-2009)
- SVP, CTO (2000-2005)

VMware, Inc., a cloud computing and virtualization software and services provider

- Director and CEO (2012-2021)

EMC Corp., a data storage, information security and cloud computing company

- President and COO, EMC Info Infrastructure Products (2009-2012)

Other Public Boards

- Mobileye Global Inc.**, Intel's autonomous driving technology subsidiary
- Nature's Affiliations Institute of Electrical and Electronics Engineers**
- Fellow
- National Academy of Engineering**
- Member
- President's National Security Telecommunications Advisory Committee**
- Member

Patrick P. Gelsinger

CEO
Age 63
Director Since 2021
Committee None
Birthplace United States

"Semiconductors are essential to maintaining and enabling modern society and there are infinite possibilities as we enter the age of AI. Our strategy for accelerating process and product leadership, bringing AI everywhere, and driving a resilient, diverse, and balanced supply chain, puts Intel in the position to help define the future of technology."

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Biographies

SEC rules require companies to disclose at least a base level of information related to each director nominee, including the individual's name, age, tenure (if already serving), principal occupation and other directorships during the last five years, business experience, and the specific skills or attributes that make the individual qualified to serve on the board. However, especially since the introduction of the universal proxy card, companies have been providing more insight into why each director--incumbents as well as nominees--is uniquely positioned to further the company's strategy and mission.

What to Think About

Biographical information allows investors to evaluate whether directors are sufficiently competent, experienced, and diverse to effectively oversee the company's operations and long-term strategy. Investors want to see a balance of characteristics -- such as age, tenure, and experience -- that optimizes board performance for the benefit of shareholders. That means all directors, not just nominees, are subject to investor scrutiny each year.

With the advent of the universal proxy card that allows investors to pick and choose among management and shareholder nominees in a contested election, it is important to consider how best to showcase the unique, irreplaceable, and relevant qualifications of each company nominee.

Some companies accomplish this by noting (and perhaps discussing) particular skills the board considers valuable. If nominee skills can be tied directly to company strategy, so much the better.

Investors and regulators also expect to understand whether the board has sufficient expertise and capabilities to oversee the significant risks and opportunities the company faces. We recommend using the nominee biographies to demonstrate what strengths each nominee brings to the board and how the board as a whole has the ability to effectively oversee all critical areas of the company's operations and strategy.

Finally, investors increasingly are scrutinizing director commitment, with many institutional investors and proxy advisors maintaining overboarding policies

that guide their voting decisions. To stave off no votes, consider explicitly addressing the ability of any multi-boarded directors to devote sufficient attention to their board responsibilities. As an added demonstration of commitment, biographies at a handful of companies include data like each nominee's meeting attendance rate or company holdings.

Nominee biographies typically appear in either narrative or bullet format. Visual shading or call-out boxes can be used to emphasize selected information, such as independence or committee memberships. It is common, though not required, to include headshots to personalize the disclosure and visual elements to enhance readability. Many companies use icons (often introduced in a director skills matrix) to identify the capabilities attributable to each director. Other optional information we have seen in biographies includes

nominees' education, other activities and affiliations, and "fun facts" (like favorite company product).

Labrador Transparency Award Criteria

- Each director biography includes a photo and is formatted to highlight skills/qualifications and at least three separately presented attributes (such as tenure, age, independence, other public directorships, and committee assignments).



Benchmarking

Biographies

90.0%

Director biographies includes photos of directors



Career highlights:

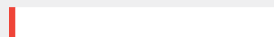
43.0%

Career highlights in bullet format



3.0%

Career highlights in timeline format



Skills:

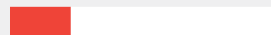
82.0%

Biography includes photo and is formatted to highlight skills/qualifications and at least three separately presented attributes (such as tenure, age, independence, other public directorships, and committee assignments)



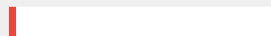
23.0%

Icons are used to depict each skill/expertise



3.0%

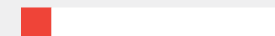
Skills applicable to committee membership



Other information included in the biographies:

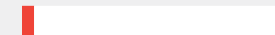
12.0%

Education



5.0%

Nationality/birthplace



Looking Ahead

Board skills should evolve with company strategy and the macro and industry environment in which the company operates. Investors will want to understand what skills the board possesses to deal with emerging issues such as artificial intelligence and technological disruption, energy transition, and volatile economies.



Key Examples

Spire 2024 Proxy Statement

Brief bios, includes a section headed "Skills relevant to Spire"

Goldman Sachs 2024 Proxy Statement

Directly links skills to experience at the outset of each bio

Proposal 1: Election of directors

The Board of Directors is divided into three classes. Directors Borer, Fogarty and Lindsey, whose terms will expire upon the election of directors at the meeting on January 25, 2024, have been nominated to stand for reelection for terms expiring upon the election of their successors in January 2027 or their earlier removal or resignation from office.

Information about the nominees and directors

Nominees for term expiring in 2027

Mark A. Borer

Mr. Borer served as chief executive officer as well as a member of the board of directors of DCP Midstream Partners, LP from November 2006 through his retirement in December 2012. DCP Midstream Partners, LP is a public midstream master limited partnership that is engaged in all stages of the midstream business for both natural gas and natural gas liquids.

Maria V. Fogarty

Ms. Fogarty served as the senior vice president of internal audit and compliance at NextEra Energy, Inc. from 2011 through her retirement in June 2014. She previously served as vice president of internal audit at that company from 2006 to 2010 and director of internal audit from April 1993 through 2004.

Proposal 1: Election of directors

Substantive text about the nominees and directors

Steven L. Lindsey

Mr. Lindsey has served as the Company's president and chief executive officer since October 1, 2023. Skills relevant to Spire: Prior to being named president and chief executive officer, Mr. Lindsey spent 11 years at Spire, most recently as the Company's executive vice president, chief operating officer. In that role, he was responsible for the operations of all Gas Utilities, as well as Spire Marketing and Spire Midstream.

Your Board of Directors recommends a vote "FOR" election of the above nominees as directors.

Directors with terms expiring in 2025

Carrie J. Hightman

Ms. Hightman retired in January 2023 after having served as executive vice president and chief legal officer of Nisource Inc., which is a B2B market cap, B2B revenue gas and electric utility holding company listed on the New York Stock Exchange. She also served as president and chief executive officer of Columbia Gas of Massachusetts, one of the largest natural gas utilities in the commonwealth, until its sale by Nisource Inc. in October 2020.

Paul D. Koonce

Mr. Koonce retired in February 2020 as executive vice president and president and chief executive officer of the Power Generation Group of Dominion Energy, Inc., which is a B2B market cap, B2B revenue gas and electric utility holding company listed on the New York Stock Exchange. He spent 20 years at Dominion in various roles, including chief executive officer of the Gas Infrastructure Group and chief executive officer of the Power Delivery Group.

CORPORATE GOVERNANCE—ITEM 1. ELECTION OF DIRECTORS

OUR DIRECTORS



David Solomon, 62
Chairman and CEO

Director Since October 2018
Other U.S.-Listed Company Directorships
■ Current: None
■ Former (Past 5 Years): None

Key Experience and Qualifications
■ Experienced leader across range of our businesses: With nearly 25 years of leadership experience at our firm, he develops the firm's strategy, embodies our Core Values and commitment to client service and leverages firm-specific and industry knowledge to lead the firm and its people, including helping to protect and enhance our firm's culture and through his commitment to talent development and the diversity of our workforce.



David Villar, 68
Independent Lead Director*

Director Since January 2012
Other U.S.-Listed Company Directorships
■ Current: None
■ Former (Past 5 Years): Square, Inc.

Key Experience and Qualifications
■ Strong financial industry leader: With over 10 years of service on our Board, including as Chair of the Risk Committee, as well as service as the former lead independent director and chair of the audit and risk committee of Square, Inc. (a global technology company), he provides valuable perspective to our Board and is well positioned to lead our Board as Independent Lead Director.

CORPORATE GOVERNANCE—ITEM 1. ELECTION OF DIRECTORS

OUR DIRECTORS



Michele Barms, 66
Independent

Director Since October 2011
Other U.S.-Listed Company Directorships
■ Current: None
■ Former (Past 5 Years): Cisco Systems, Inc.

Key Experience and Qualifications
■ Compensation, governance and risk experience: Leverages current and former service on the boards of directors and board committees (including compensation committees) of other public companies and not-for-profit entities.



Mark's Flaherty, 64
Independent

Director Since December 2014
Other U.S.-Listed Company Directorships
■ Current: None
■ Former (Past 5 Years): None

Key Experience and Qualifications
■ Leadership in investment management industry: Leverages over 20 years of experience in the investment management industry, including at Wellington Management Company.

*Chair ■ Audit ■ Compensation and Human Resources ■ Corporate Governance ■ Strategy

*Chair ■ Audit ■ Compensation and Human Resources ■ Corporate Governance ■ Strategy

* Effective April 24, 2024



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Key Examples

International Paper 2024 Proxy Statement

Simple bios with skills noted by abbreviation rather than icon or words; more info about other boards than the norm

Cognizant 2024 Proxy Statement

Very detailed; provides a timeline for all professional roles and notes which skills were acquired (or used) in each position

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Item 1: Election of Directors / Our Nominations

Ilene S. Gordon

Ms. Gordon retired as executive chairman of Ingotron Incorporated (formerly Corn Products International, Inc.), a publicly traded global ingredients solutions company, in July 2016, after serving in that position since January 2015. Ms. Gordon served as chairman, president and chief executive officer of Ingotron from 2009 through 2017. She served as president and chief executive officer of The Trade Dress Packaging, a multinational company engaged in the production of flexible and specialty packaging, from 2007 until 2008, and as vice president and senior executive officer of Alcan Packaging and its affiliate and predecessor companies from 1995 until 2007. Prior to 1995, Ms. Gordon was employed for 17 years with Tetra Pak Inc., a conglomerate, in a variety of management positions, including vice president and general manager, leading its global carbon business.

Board Qualifications

As the former chairman, CEO and president of Ingotron Incorporated, Ms. Gordon brings senior management expertise and leadership capabilities, as well as broad understanding of the operational, financial and strategic issues facing public companies, like operations experience of The Trade Dress Packaging includes manufacturing, supply chain and marketing. She has experience with operations overseas, including South America, Asia Pacific and Europe. Ms. Gordon also brings strong financial expertise to our Board.

Other Public Boards

Lockheed Martin Corporation (global security and aerospace) (NYSE: LMT)
International Paper & Progress (global food and beverage packaging) (formerly: NYSE: IPF)

Other Affiliations

Ms. Gordon served on the board of trustees of The Conference Board from 2010 to 2021, previously served on the board of trustees of IFT (Innovate in the Corporation) and is an emerita member of the board of directors of the Economic Club of Chicago.

Key Skills & Experience

CEO, CFO, COO, SVP, VP, Director, President, Chairman

Anders Gustafsson

Mr. Gustafsson has been executive chairman of Zetex Technologies Corporation, a publicly traded global leader in designing and manufacturing specialty systems, mobile computing, data centers, multi-tenant distribution products and machine learning systems, since March 2023. From 2007 to 2023, Mr. Gustafsson served as chief executive officer of Zetex Technologies Corporation. Prior to Mr. M. Gustafsson served as chief executive officer of Spicor Communications, a publicly traded telecommunications company, from 2005 to 2007. Prior to Spicor, Mr. Gustafsson was a senior executive vice president, global business operations for Intel, Inc.

Board Qualifications

As executive chairman of Zetex Technologies Corporation and former chief executive officer of Zetex and Spicor Communications, Mr. Gustafsson brings significant international business experience and strong financial expertise to the Board. He provides a unique and valuable technology perspective, and his current and prior service on other public company boards further broadens his range of knowledge and allows him to draw on various perspectives and insights.

Other Public Boards

Zetex Technologies (NASDAQ: ZTEA)
Dyaco Industries (Specialty contracting services throughout the U.S. and Canada) (formerly: NYSE: DYO)
NetScout Systems (Data infrastructure services provider)

Other Affiliations

Mr. Gustafsson serves as a trustee of the Chedoke Aquatics.

Key Skills & Experience

CEO, CFO, COO, SVP, VP, Director, President, Chairman

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Item 1: Election of Directors / Our Nominations

Kathryn D. Sullivan

Dr. Sullivan is Ambassador at Large at the Smithsonian National Air and Space Museum, where she served as The Charles A. Lindbergh Fellow of Aerospace History from March 2017 through August 2017. Dr. Sullivan is also a Senior Fellow at the Potomac Institute for Policy Studies. She served in several roles in the U.S. Department of Commerce and the National Oceanic and Atmospheric Administration (NOAA) between 2011 through 2017, including as Under Secretary of Commerce for Oceans, B. Atmosphere and NOAA Administrator from 2014 until 2017. She served as a director for Ohio State University's Institute Center for Science, Engineering and Public Policy from 2005 through 2011. Between 1990 and 2000, Dr. Sullivan served as President and CEO of the Center of Science and Industry (CSI), a business, science and technology museum. Dr. Sullivan served as President and CEO of a network of three athletic museums with over 500 hours to open, and she was the first American woman to work in such.

Board Qualifications

Dr. Sullivan's experience as NOAA brings a valuable perspective on current issues in sustainability, which is a critical issue to the Company. As a former NOAA science advisor, she also brings strong technical background, leadership capabilities, and strategic planning experience. Dr. Sullivan serves on other public company boards given her experience with oversight of natural resource conservation and production as well as a broad range of strategic and financial business matters. She also brings financial and budgeting experience, having served as president and chief executive officer of CSI and as a member of another public company's audit and finance committee.

Other Public Boards

Dr. Sullivan served on the boards of directors of several public companies between 1987 and 2011.

Other Affiliations

Dr. Sullivan serves on the board of directors of Accurate Federal Services, LLC and the advisory board of Terra Alpha Investments, LLC. She is a member of the National Academy of Engineering, the American Academy of Arts and Sciences and the National Academy of Public Administration.

Key Skills & Experience

CEO, CFO, COO, SVP, VP, Director, President, Chairman

Mark S. Sutton

Mr. Sutton has been Chairman of International Paper since January 1, 2016, and Chief Executive Officer since November 1, 2016. Mr. Sutton joined International Paper in 1991 and has served in roles including President & Chief Operating Officer (June 1, 2014 to October 31, 2014), Senior Vice President - Industrial Packaging (2011 to 2014), Senior Vice President - Printing and Communications Division of Americas (2010 to 2011), Senior Vice President - Supply Chain (2008 to 2009), Vice President - Supply Chain (2007 to 2008), and Vice President - Strategic Planning (2005 to 2007).

Board Qualifications

Mr. Sutton has been International Paper nearly 40 years and served in various senior leadership roles, including President and Chief Operating Officer and Senior Vice President - Industrial Packaging, the Company's largest business. He has also served as the senior leader of Printing and Communications Papers, Supply Chain, Corporate Strategic Planning, and the Board and management in his roles as Chairman and CEO.

Other Public Boards

The Ingotron Company (global grocery company) (NYSE: IPF)

Other Affiliations

Mr. Sutton is a member of The Business Council and the Business Roundtable and serves on the American Forest & Paper Association board of directors. He also serves on the board of directors of Memphis Tennessee and The LSU Foundation.

Key Skills & Experience

CEO, CFO, COO, SVP, VP, Director, President, Chairman

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Corporate governance
Director nominees

Vinita Bali

Former CEO and Managing Director of Britannia Industries and Former VP of The Coca-Cola Company
Director Since 2020
Independent

Ms. Bali brings experience to the Cognizant Board of Directors gained through leading large multinationals in CEO and senior marketing and other roles around the globe, having worked for over three decades with companies like Britannia Industries, The Coca-Cola Company and Cadbury Schweppes plc.

Period	Relevant experience	Key qualifications
2005-2006	Britannia Industries, an international food products company based in India and listed on the National Stock Exchange and Bombay Stock Exchange in India Chief Executive Officer and Managing Director Public company CEO experience directing and shaping strategy for an international food products company.	CEO, CFO, COO
2002-2005	The Zynman Group, a marketing and communications strategy firm Managing Principal and Head of Business Strategy Practice, USA	CEO, CFO, COO
1994-2002	The Coca-Cola Company (CCC), a multinational beverage company Offices: Vice President and Head, Corporate Strategy (2001 - 2005) President, Andean Division (1999 - 2000) Vice President, Marketing for Latin America (1997 - 1998) Vice President, Marketing Director (1996 - 1997) Executive-level business, operational and marketing leadership roles, based in the United States and Chile, for key divisions around the globe for a fast Fortune 500, NYSE listed company.	CEO, CFO, COO
1989-1994	Cadbury Schweppes plc, a multinational confectionary company Senior marketing roles across a number of geographies, including South Africa, Nigeria, India and the U.S. Senior business, operational and marketing leadership roles across a number of geographies for a leading multinational confectionary company.	CEO, CFO, COO
1984	Current public company boards	CEO, CFO, COO
2004	Beijit Auto Ltd. (BAJAJ-AUTO), a multinational automotive manufacturing company listed on the National Stock Exchange (NSE) in India	CEO, CFO, COO
2001	SATL Ltd. (SGL), a leading provider of food solutions and gateway services and listed on the Singapore Stock Exchange	CEO, CFO, COO
2001	Syngene International Ltd., a research and manufacturing company listed on the NSE and Bombay Stock Exchange (BSE) in India	CEO, CFO, COO

Past director positions

ORIEL, Ltd., a global omnichannel company providing ratings, research and risk and policy advice; served listed on the NSE and BSE
Bunge Ltd. (BUN) in agribusiness and food company
Smith & Nephew Plc (SNL), a global portfolio medical technology business

Key Skills & Experience

CEO, CFO, COO, SVP, VP, Director, President, Chairman

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Corporate governance
Director nominees

Eric Branderiz

Former Counsel, Vice President and Chief Financial Officer of Enphase Energy
Director Since 2023
Independent

Mr. Branderiz brings to Cognizant's Board of Directors experience in finance, accounting, M&A execution, risk management, ESG and corporate governance across various energy, semiconductor and technology sectors, including Enphase Energy and Tesla.

Period	Relevant experience	Key qualifications
2018-2023	Enphase Energy, Inc. (ENPH), a renewable energy and semiconductor technology company Executive Vice President and Chief Financial Officer Insight into the particular financial and operational challenges of a global business gained through his role as CFO of a public company.	CEO, CFO, COO
2018-2019	Tesla, Inc. (TSLA), an automotive, software, semiconductor and renewable energy company Chief Accounting Officer and Corporate Controller	CEO, CFO, COO
2010-2016	SunPower Corporation (SPWR), a solar energy system design and manufacturing company Nigeria senior roles, including Senior Vice President, Corporate Controller and Chief Accounting Officer and Senior Vice President, Head of Global Residential and Light Commercial Operations and Finance	CEO, CFO, COO
2009-2010	Knowledge Learning Corporation (now KinderCare Learning Centers, LLC), an operator of child care and early childhood education facilities Vice President, Corporate Controller, Corporate Treasurer, and Head of Subsidiary Business Operations	CEO, CFO, COO
2007-2009	Spanx, Inc. (Spanx Infratech Technologies, AC), a semiconductor manufacturer of flash memory, microcontrollers, mixed-signal and analog products, and system-on-chip solutions Senior Vice President, Corporate Controller, Head of Sales & Marketing Finance, Tax and Treasury	CEO, CFO, COO
2003-2005	Advanced Micro Devices, Inc. (AMD), a multinational semiconductor company Americas Controller	CEO, CFO, COO
1994-2002	Ernst & Young LLP, a multinational professional services partnership Auditor	CEO, CFO, COO

Current public company boards

Fortive Corporation (FTV), a provider of essential technologies for connected workflow solutions across a range of endmarkets
Select other director positions
UNIVERS, a leading net zero technology provider
AEC, a leading battery technology company

Key Skills & Experience

CEO, CFO, COO, SVP, VP, Director, President, Chairman

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Key Examples

Group 1 Automotive 2024 Proxy Statement

Eye-catching and nicely spaced--easy to read--and flags skills

Halliburton 2024 Proxy Statement

Each bio provides extensive information on the nominee's relevant skills

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Charles L. Szews
 INDEPENDENT DIRECTOR
 Former Chief Executive Officer of Oakleaf Corporation and Non-Executive Chair of the Board

Age: 67
 Director since: 2016
 Board Committees: Audit Committee, Compensation & Human Resources Committee, Financial Risk Management Committee, Governance & Corporate Responsibility Committee

Key Skills and Expertise

- Finance/Accounting/S&P Financial Expert
- Senior Leadership
- Industry Experience
- International
- Mergers & Acquisitions
- Human Resources/Cultural
- P&L Responsibility
- Technology/Cybersecurity

Qualifications

Mr. Szews was selected to serve on our Board due to his extensive operational and financial experience and his background in public accounting, auditing and risk management. His previous and current board positions on other publicly traded companies have provided many years of audit committee experience, including as chair. Mr. Szews' extensive financial and audit experience in a variety of senior management positions, combined with his global operational experience in vehicle manufacturing and distribution, including autonomous and electric vehicles, have provided him with a wealth of knowledge in dealing with complex strategic, financial and accounting matters.

Experience

- Joined Oakleaf Corporation, a leading global manufacturer of specialty vehicles and vehicle bodies serving access equipment, defense, fire and emergency, and commercial markets, as Vice President and CFO in 1986, appointed Executive Vice President in October 1987, appointed President and Chief Operating Officer in October 2007.
- Served as Chief Executive Officer at Oakleaf Corporation from January 2011 until his retirement in 2016.
- Vice President and Controller at Ford Howard Corporation during its leveraged buyout.
- Began his career with Ernst & Young.

Other Current Directorships

- Commercial Metals Company

Former Public Company Directorships

- Rowan Companies plc
- Valaris plc
- Atlogun plc
- Cardinal Energy, Inc.
- Oakleaf Corporation

Degrees

- B.B.A. in Comprehensive Public Accounting, University of Wisconsin - Eau Claire

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Anne Taylor
 INDEPENDENT DIRECTOR
 Former Vice Chairman and Managing Partner of the Houston office of Deloitte

Age: 68
 Director since: 2018
 Board Committees: Audit Committee, Compensation & Human Resources Committee (Chair)

Key Skills and Expertise

- Industry Experience
- Technology/Cybersecurity
- Mergers & Acquisitions
- Human Resources/Cultural
- P&L Responsibility
- International

Qualifications

Ms. Taylor is financially literate and has participated in audit committee meetings of many Deloitte clients. She was selected to serve on our Board due to her management and leadership experience, extensive background in global technology, development and execution of business strategy, and corporate governance experience.

Experience

- Joined Deloitte, a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services in 1987, serving as Regional Managing Partner, Chief Strategy Officer and Global Leader for a business, served as Vice Chairman and Managing Partner of the Houston office from 2003 until her retirement in 2016, chaired the strategic review of the proposed transaction to separate Deloitte Consulting while serving on Deloitte's Board of Directors.
- Became the first woman to serve on Deloitte's US executive committee and the management committee of Deloitte Global.
- Currently serves on the board of Memorial Hermann Hospital System. Previously served on the boards of the Greater Houston Partnership, United Way of Greater Houston and Junior Achievement and chaired the board of Central Houston, Inc.

Other Current Directorships

- Chord Energy Corporation (formerly Whiting Petroleum Corporation)

Former Public Company Directorships

- None

Degrees

- B.S. in Engineering, University of Utah
- M.S. in Engineering, University of Utah
- Abilene Christian University, pursuing PhD studies in Transportation Engineering

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M. Katherine Banks
 Former President, Texas A&M University

INDEPENDENT
 Age: 64
 Director Since: 2019

Halliburton Committees

- Health, Safety and Environment
- Nominating and Corporate Governance

Current Public Company Directorships

- Peaseody Energy (since 2023)

Former Public Company Directorships (within last five years):

- None

Other Directorships and Memberships

- Elected Fellow of the American Society of Engineers
- National Academy of Engineering
- Board member, Tread National Security

Skills and qualifications

Strategic Planning: Dr. Banks has over 30 years of experience in academia and served as President of Texas A&M University, one of the largest U.S. universities with more than 72,000 students and 16,000 faculty and staff members. Prior to becoming President, she served as the Dean of the College of Engineering for nine years at Texas A&M and Head of the School of Civil Engineering at Purdue University. As governments and industries consider alternative forms of energy and as service companies consider additional products and services for emerging and alternative energy sources, Dr. Banks' experience with engineering, technology, and nuclear security provides strategic insight into future opportunities.

Technology/Engineering, Energy Industry: Dr. Banks' technical training includes a Bachelor of Science degree in environmental engineering from the University of Florida, a Master of Science degree in environmental engineering from the University of North Carolina, and a Doctoral degree in civil and environmental engineering from Duke University. She has held numerous leadership positions in engineering schools, including serving as Vice Chancellor of Engineering and Dean of Texas A&M's College of Engineering. Dr. Banks is an Elected Fellow of the American Society of Civil Engineers and was elected to the National Academy of Engineering. In addition to her leadership positions and national recognition in the field of engineering, she received Oil and Gas Investor's 25 Influential Women in Energy Pinnacle Award in 2021.

Human Resources and Compensation: Given Halliburton's focus on developing talent, Dr. Banks' knowledge of the American academic system is highly valuable to the Board's discussions of talent recruitment, retention, and development.

Health, Safety & Environment and Sustainability: At Texas A&M, Dr. Banks helped establish the EnMod program, an innovative engineering medical school option created by Texas A&M University and Houston Methodist Hospital, designed to educate a new kind of physician who will create transformational technology for health care. Dr. Banks' previous oversight of Texas A&M's Sustainability Master Plan provides unique perspectives and knowledge to the Board's work to oversee environment, social, and governance strategy at Halliburton.

Public Policy: Dr. Banks' leadership positions included serving as Vice Chancellor of National Laboratories and National Security Strategic Initiatives. In these capacities she has had significant engagement on matters of public policy.

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Alan R. Bennett
 Former President and Chief Executive Officer, H&R Block, Inc.

INDEPENDENT
 Age: 73
 Director Since: 2006

Halliburton Committees

- Audit (Chair)
- Nominating and Corporate Governance

Current Public Company Directorships

- Four Companies (since 2011)
- T&E Companies, Inc. (since 2007)

Former Public Company Directorships (within last five years):

- None

Other Directorships and Memberships

- None

Skills and qualifications

Accounting/Finance, Strategic Planning, Mergers & Acquisitions: Mr. Bennett is a certified public accountant who retired in 2011 as President and CEO of H&R Block, a tax, banking, and financial service provider, and he has intimate knowledge of financial matters. Prior to his role, he served as Senior Vice President and Chief Financial Officer at Astra, a diversified healthcare benefits company, and was Vice President, Sales and Marketing, at Pirelli Armstrong Tire Company. His leadership roles at H&R Block, Astra, and Pirelli Armstrong provide our Board with insights into strategic planning, audits, enterprise risk management, and mergers and acquisitions. Mr. Bennett earned his Bachelor of Science degree in accounting from Stauqua University.

Legal/Regulatory/Public Policy: At Astra, Mr. Bennett engaged frequently on critical regulatory and legal matters for a company that operates in a highly regulated industry. Mr. Bennett's experience at Astra required a deep understanding of public policy issues in the healthcare space. He brings deep knowledge of internal control processes for Sarbanes-Oxley Act compliance.

Technology: Through his leadership at H&R Block, Mr. Bennett understands the technology requirements needed to support a large workforce across multiple geographies. He approved and oversaw the rollout of major technology systems at H&R Block and Astra.

Human Resources/Compensation: In his role as Chief Executive Officer of H&R Block, Mr. Bennett had responsibility for a global workforce that spanned more than 90,000 employees across the company's operating footprint. He is intimately familiar with HR issues such as hiring, benefits, retention, and training, having served as a leader at one of the largest U.S. health care providers, and he has direct experience overseeing management succession activities.

Corporate Governance: Mr. Bennett has served on the boards of five major U.S. corporations in the past 20 years: Baucus & Lomb, H&R Block, T&E Companies, Pirelli, and Halliburton. He uses this deep experience and knowledge base to support Board discussions of investor expectations and governance best practices as he chairs the Audit Committee and serves on the Nominating and Corporate Governance Committee.

www.halliburton.com HALLIBURTON | 2024 Proxy Statement 20



Key Examples

Coterra 2024 Proxy Statement

Easy to read, starts each bio with "Reason for Nomination"

Netflix 2024 Proxy Statement

Alternate format, starting with "why this director is valuable to Netflix"

Reason for Nomination

Mr. Boswell has management and operating experience as an executive in the upstream oil and gas industry and brings an extensive technical understanding of the development of oil and gas reserves, as well as financial expertise, to our Board. Mr. Boswell's career includes serving as Chairman and Chief Executive Officer of exploration and production companies throughout the life cycle of capital raising and the growth of reserves, production and profitability for over 30 years. His success with unconventional resource plays (including with the sale of Laramie Energy U. LLC, a private company that he founded, for over \$1 billion) brings important expertise to the Company's operations. Mr. Boswell is the immediate past chairman and a director of the Western Energy Alliance, and serves on the executive board of the Colorado Oil & Gas Association. Mr. Boswell's operations, management, technical and financial expertise are a tremendous asset to our Board and the committees on which he serves.

REASON FOR NOMINATION

Mr. Brook has a wealth of experience in building and managing global infrastructure businesses in the oil and gas, water and power industries. Her expertise and depth of knowledge in the water management aspects of the oil and gas industry, as well as her global perspectives, executive management and financial expertise, adds the Board in better understanding all aspects of our operations. Ms. Brook's experience is widely recognized and acknowledged in the industry, as evidenced by her numerous professional awards throughout her career (including being named one of the 25 Most Influential Women in Energy by Hart Energy's Oil and Gas Investor Magazine in 2020 and being inducted into the 2017 Greater Houston Women's Hall of Fame). Ms. Brook currently serves as Chair of the Texas Business Hall of Fame. After completing her undergraduate studies in South Africa, Ms. Brook obtained her law degree from Louisiana State University, where she was a member of the Law Review.

REASON FOR NOMINATION

Mr. Eckley was appointed in October 2021 in connection with the Merger. With a career spanning over 45 years, his extensive history of leadership roles and wealth of experience in investments in public and private companies, including companies in the oil and gas industry, are key attributes that make him well suited to serve on our Board. Mr. Eckley also served as Director of the Emerging Markets Growth Fund owned by the Capital Group, which included serving as Chairman of the Board. Mr. Eckley brings considerable value in his service as Chair of the Compensation Committee.

REASON FOR NOMINATION

Mr. Hastings is the co-founder and Executive Chairman, and previously served as the co-Chief Executive Officer and President of Netflix for over 25 years. He deeply understands the technology and business of Netflix and brings strategic and operational insight to the Board. He is also a software engineer, holds an MScS in Artificial Intelligence from Stanford University, and has unique management and industry insights.

REASON FOR NOMINATION

Mr. Peters, our co-Chief Executive Officer, has served in roles of increasing responsibility at Netflix since 2008, including Chief Operating Officer and Chief Product Officer. Mr. Peters brings to the Board a deep understanding of the Company's business, including its technology and worldwide operations, as well as business acumen and executive leadership experience.

REASON FOR NOMINATION

Mr. Rice, our Ambassador, has served in roles of increasing responsibility at Netflix since 2008, including Chief Operating Officer and Chief Product Officer. Mr. Rice brings to the Board a deep understanding of the Company's business, including its technology and worldwide operations, as well as business acumen and executive leadership experience.

REASON FOR NOMINATION

Ms. Zillow, our co-Chief Executive Officer, has served in roles of increasing responsibility at Netflix since 2008, including Chief Operating Officer and Chief Product Officer. Ms. Zillow brings to the Board a deep understanding of the Company's business, including its technology and worldwide operations, as well as business acumen and executive leadership experience.

REASON FOR NOMINATION

Ms. Zillow, our co-Chief Executive Officer, has served in roles of increasing responsibility at Netflix since 2008, including Chief Operating Officer and Chief Product Officer. Ms. Zillow brings to the Board a deep understanding of the Company's business, including its technology and worldwide operations, as well as business acumen and executive leadership experience.

REASON FOR NOMINATION

Mr. Dinges served as Cabot's Chief Executive Officer for 20 years until the completion of the Merger and brings to the Board over 38 years of executive management experience in the oil and gas exploration and production business, as well as a deep knowledge of our business, operations, culture, long-term strategy and goals. Mr. Dinges is currently serving as a director of Highport Midstream LLC, a private company in the midstream sector of the oil and gas industry. Mr. Dinges possesses a diversity of corporate governance experience, including his previous service on the Board of United States Steel Corporation and charitable and industry organizations, including the American Petroleum Institute, the American Exploration Production Council, Optzer Industries, Inc. (a private company), and Houston Methodist Hospital Research Institute.

REASON FOR NOMINATION

Mr. Eckley was appointed in October 2021 in connection with the Merger. With a career spanning over 45 years, his extensive history of leadership roles and wealth of experience in investments in public and private companies, including companies in the oil and gas industry, are key attributes that make him well suited to serve on our Board. Mr. Eckley also served as Director of the Emerging Markets Growth Fund owned by the Capital Group, which included serving as Chairman of the Board. Mr. Eckley brings considerable value in his service as Chair of the Compensation Committee.

REASON FOR NOMINATION

Mr. Hoag has been a technology investor and venture capitalist for more than 40 years, involved in numerous technology investments including Actuate Software (acquired by OpenText), Airbnb, Arba (acquired by SAP), Altira (acquired by Symantec), BlueCoat Systems (formerly Cacheflow), CNET, eHarmony, Electronic Arts, Encampas (acquired by Valvoline), EVE Technologies (acquired by SSA Global), Expedia, Facebook, Fandango (acquired by Comcast), Groupm, LinkedIn, ONYX Software, Peloton, Prologis (parent company of Shingoka (acquired by a private equity firm), RealNetworks, Sportradar, Spotify, SpringStreet (acquired by Homestore.com), Strava, TechTarget, TripAdvisor, Vacationspost.com (acquired by Expedia), Viant (acquired by IXL), and Zillow. Mr. Hoag is chair of TCV's Investment Committee, a member of TCV's Executive Committee, and is on the Investment Advisory Committee at the University of Michigan, the Board of Trustees of Northwestern University, and the Board of Trust at Vanderbilt University. Previously, Mr. Hoag served on the board of directors of a number of other public and private companies, including TechTarget, Inc. from 2004 to 2016, Electronic Arts from 2011 to 2021, Prologis from 2014 to 2021, and TCV Acquisition Corp. from 2021 to 2023. Mr. Hoag holds an M.B.A. from the University of Michigan and a B.A. from Northwestern University.

Proposal 1: Our Board of Directors

Reed Hastings EXECUTIVE CHAIRMAN OF THE BOARD
 DIRECTOR AND CHAIRPERSON SINCE: 1997 AGE: 63
 CLASS: III COMMITTEES: NONE

Why this director is valuable to Netflix

Mr. Hastings is the co-founder and Executive Chairman, and previously served as the co-Chief Executive Officer and President of Netflix for over 25 years. He deeply understands the technology and business of Netflix and brings strategic and operational insight to the Board. He is also a software engineer, holds an MScS in Artificial Intelligence from Stanford University, and has unique management and industry insights.

Other Public Company Boards

- None

Jay C. Hoag LEAD INDEPENDENT DIRECTOR
 DIRECTOR SINCE: 1999 AGE: 65
 CLASS: III COMMITTEES: NOMINATING AND GOVERNANCE (CHAIR)

Why this director is valuable to Netflix

Mr. Hoag has been a technology investor and venture capitalist for more than 40 years, involved in numerous technology investments including Actuate Software (acquired by OpenText), Airbnb, Arba (acquired by SAP), Altira (acquired by Symantec), BlueCoat Systems (formerly Cacheflow), CNET, eHarmony, Electronic Arts, Encampas (acquired by Valvoline), EVE Technologies (acquired by SSA Global), Expedia, Facebook, Fandango (acquired by Comcast), Groupm, LinkedIn, ONYX Software, Peloton, Prologis (parent company of Shingoka (acquired by a private equity firm), RealNetworks, Sportradar, Spotify, SpringStreet (acquired by Homestore.com), Strava, TechTarget, TripAdvisor, Vacationspost.com (acquired by Expedia), Viant (acquired by IXL), and Zillow. Mr. Hoag is chair of TCV's Investment Committee, a member of TCV's Executive Committee, and is on the Investment Advisory Committee at the University of Michigan, the Board of Trustees of Northwestern University, and the Board of Trust at Vanderbilt University. Previously, Mr. Hoag served on the board of directors of a number of other public and private companies, including TechTarget, Inc. from 2004 to 2016, Electronic Arts from 2011 to 2021, Prologis from 2014 to 2021, and TCV Acquisition Corp. from 2021 to 2023. Mr. Hoag holds an M.B.A. from the University of Michigan and a B.A. from Northwestern University.

Other Public Company Boards

- Peloton Interactive, Inc.
- TripAdvisor, Inc.
- Zillow Group, Inc.

Greg Peters CO-CHIEF EXECUTIVE OFFICER AND PRESIDENT OF THE COMPANY AND DIRECTOR
 DIRECTOR SINCE: 2023 AGE: 53
 CLASS: I COMMITTEES: NONE

Why this director is valuable to Netflix

Mr. Peters, our co-Chief Executive Officer, has served in roles of increasing responsibility at Netflix since 2008, including Chief Operating Officer and Chief Product Officer. Mr. Peters brings to the Board a deep understanding of the Company's business, including its technology and worldwide operations, as well as business acumen and executive leadership experience.

Other Public Company Boards

- DoorDash Inc.

Ambassador Susan Rice INDEPENDENT DIRECTOR
 DIRECTOR SINCE: 2023 AGE: 59
 CLASS: I COMMITTEES: NOMINATING AND GOVERNANCE

Why this director is valuable to Netflix

As U.S. diplomat and former Domestic Policy Advisor and National Security Advisor to the President, Ambassador Rice brings her unique experience and expertise in international affairs, global security, governmental and public policy matters to the Board.

Other Public Company Boards

- None




Key Examples

Ducommun 2024 Proxy Statement
Streamlined but complete from a regulatory perspective

Fiserv, Inc. 2024 Proxy Statement
Streamlined and bullet format

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Continuing Directors




RICHARD A. BALDRIGE
 Vice Chairman, Visat, Inc. (NLS)
 Age: 65
 Director Since: 2013
 Term Expires: 2026
 Committees:
 - Audit and Innovation

Professional background
 Mr. Baldrige served as Vice Chairman of Visat, Inc., a global communications company, from July 2022 until his retirement in June 2023. Mr. Baldrige joined Visat in 1986, serving as Executive Vice President, Chief Financial Officer and Chief Operating Officer from 2020, as Executive Vice President and Chief Operating Officer from 2002, as President and Chief Operating Officer from 2003, and as President and Chief Executive Officer from November 2020 until June 2022. In July 2022, Mr. Baldrige was appointed Vice Chairman of Visat until his retirement in June 2023. Before joining Visat, Mr. Baldrige was Vice President and General Manager of Raytheon Corporation's Training Systems Division, and he held executive roles with Hughes Information Systems and Hughes Training Inc. before they were acquired by Raytheon in 1997. Mr. Baldrige is also a director of Evolveus, a non-profit business incubator.

Key qualifications
 From his almost 25 years of experience in executive leadership roles at a leading provider of satellite communications systems and services, and network networking systems, Mr. Baldrige contributes to the Board's broad operational and financial experience and an understanding of the defense markets that Ducommun serves.


Other public company directorships
 Visat (since 2016)



ROBERT C. DUCOMMUN
 Business Advisor
 Age: 72
 Director Since: 1985
 Term Expires: 2025
 Committees:
 - Audit and Corporate Governance & Nominating (Chair)

Professional background
 Mr. Ducommun has been an independent business advisor for over 30 years. He was previously the Chief Financial Officer for several private companies and a management consultant with McKinsey & Company.

Key qualifications
 As a former management consultant and Chief Financial Officer, Mr. Ducommun brings to the Board substantial financial acumen and leadership in setting the strategic direction for the Company, and also provides guidance on various corporate and environmental responsibility ("ESG") initiatives.



STEPHEN G. OSWALD
 Chairman, President and Chief Executive Officer
 Age: 66
 Director Since: 2017
 Term Expires: 2026
 Committees:
 - Innovation

Professional background
 Mr. Oswald has been the President and Chief Executive Officer of Ducommun since January 2017, and Chairman of the Board since May 2018. From 2012 to 2016, Mr. Oswald was Chief Executive Officer of Capital Safety Company, a manufacturer of fall protection, confined space, and rescue equipment. He worked to take fall off his career after the role of Capital Safety Company to 36 Co. to manage personal investments. Before joining Capital Safety Company, Mr. Oswald spent approximately 15 years in executive leadership roles at United Technologies Corporation, including as President of the Hamilton Sundstrand industrial division.

Key qualifications
 As Chairman, President and Chief Executive Officer, Mr. Oswald provides management's perspective in Board discussions about Ducommun's business and strategic direction.


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Henrique de Castro
 Mr. de Castro most recently served as an advisor to Carter Financial, a global financial services firm.

Business Experience

Current Directorships

- Banco Castellón, S.A., a Spanish multinational commercial bank (public)

Other Public Directorships

- Target Corporation, a general merchandise retail company (2013-2020)
- First USA Corporation (2017-2019)
- CF Finance Acquisition Corp., a special purpose acquisition company (2018-2019)

Other Public Company Directorships

- Chief Operating Officer of CF Finance Acquisition Corp. (2018-2019)
- Advisor to Carter Financial (2017-2019)
- Chief Operating Officer of Fiserv, Inc., a financial services firm (2012-2014)
- President of Parker Hannifin Worldwide, President of Mobile, Mobile & Platforms Worldwide and other senior executive positions at GE Aviation, a multinational technology company (2000-2012)
- Senior positions at GE Aviation, a complex technology company
- Senior positions at McKinsey & Company, a leading global management consulting firm

Reasons for Nomination

- Leadership and management experience in the global technology industry, including expertise in global growth strategies



Harry F. Edmonds
 Mr. Edmonds most recently served as the President of Commerce Advisors, Inc., a consulting and advisory services firm for the retail financial services and payments industries.

Business Experience

Other Public Directorships

- President of Commerce Advisors, Inc. (2006-2020)
- Managing Partner and Co-founder of Capital Partners, Inc., a company focused on the acquisition and management of banking organizations in the United States (2010-2015)
- Executive Vice President, Chief Operating Officer of the Clear credit card business, Private Label Card and Merchant Processing Division, Bank Card Marketing Office, Consumer Banking, Investments and Insurance Division, Chase Personal Financial Services, Enterprise and other senior-level positions at American Express Co., a global financial services company and a diversified organization (1978-2005)
- Advisor in retail banking and payment organizations, including The Credit Marketing Association, the NFCE Payment Network, Chase Paymentech, MasterCard's U.S. Electronic Commerce, Visa Global Advisors, the New York Clearing House's Strategic Planning Committee and the Federal Reserve Bank's Payment Card Council

Reasons for Nomination

- Extensive experience in the banking, payments and financial services industries

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Lance M. Fitz
 Mr. Fitz most recently served as Chairman, President and Chief Executive Officer of Union Pacific Corporation, a leading transportation company from 2015 to 2022.

Business Experience

Current Directorships

- Parker Hannifin Corporation, a motion and controls technology company (public)

Other Public Directorships

- Union Pacific Corporation (2015-2022)

Other Public Company Directorships

- Chairman, President and Chief Executive Officer of Union Pacific Corporation (2010-2023)
- A variety of other leadership positions at Union Pacific Corporation since 2000

Reasons for Nomination

- Accomplished executive with extensive leadership, operations, government and regulatory, risk management, and public company experience gained through years of service as chief executive officer and chairman of a public company
- Mr. Fitz was identified by a third-party search firm



John S. Osoff
 Mr. Osoff has served as the President and Chief Executive Officer of ANSYS, Inc., an engineering simulation solutions provider since 2017.

Business Experience

Current Directorships

- ANSYS, Inc. (public)

Other Public Directorships

- Citiv Systems, a cloud computing and virtualization technology company (2017-2021)

Other Public Company Directorships

- President and Chief Operating Officer of ANSYS, Inc. (2016)
- Operating Officer of Silver Line Program, a light-rail transit public-private partnership (2013-2016)
- Executive Vice President at CA Technologies (2008-2011)
- Executive Vice President and Chief Technology Officer of Synapse (2004-2006)
- Founder of NextEdge Networks (2000-2004)
- Senior positions at IBM (1985-2000)

Reasons for Nomination

- Extensive executive, chief operating officer and technology experience
- Mr. Osoff was identified by a third-party search firm

 2024 Proxy Statement



Governance



OF
AL MEETING
PROXY STATEMENT

Board Governance Practices

Our Board seeks to operate with the highest degree of effectiveness, supporting a dynamic boardroom culture of independent thought and intelligent debate on critical matters. We take a comprehensive, year-round view of corporate governance and our adoption of best practices impacts our leadership structure, Board composition and recruitment, director engagement, and accountability to shareholders. Our Board and committee evaluation process allows for annual assessment of our Board practices and the opportunity to identify areas for improvement.

<p>ENGAGED INDEPENDENT OVERSIGHT</p> <p>BOARD OPERATIONS</p> <ul style="list-style-type: none"> Frequent, regularly scheduled Board calls Director business visits Open access to senior management and information Executive sessions with the CEO scheduled for each regular Board meeting Executive sessions with just the independent directors periodically throughout the year Access to third-party advisors 	<p>INCORPORATION OF FEEDBACK</p> <p>ANNUAL GOVERNANCE REVIEW</p> <ul style="list-style-type: none"> Review and update corporate governance practices based on evolving best practices and stakeholder feedback <p>ANNUAL SELF EVALUATION</p> <ul style="list-style-type: none"> Formal Board and committee self-evaluation conducted by lead director or independent third-party Feedback incorporated in Board practices <p>SHAREHOLDER OUTREACH</p> <ul style="list-style-type: none"> Regular year-round engagement with shareholders
<p>GOVERNANCE PRACTICES</p> <p>ACCOUNTABILITY TO SHAREHOLDERS</p> <ul style="list-style-type: none"> Proxy access for director candidates nominated by shareholders Majority voting standard for uncontested director elections Annual election of all directors <p>GOVERNANCE PRINCIPLES</p> <ul style="list-style-type: none"> Robust lead director functions Term and age limits for directors Stock ownership and holding guidelines for directors Prohibition on stock hedging and pledging 	<p>BOARD COMPOSITION</p> <p>DIRECTOR RECRUITMENT</p> <ul style="list-style-type: none"> Seek directors with relevant expertise for future strategy and broad perspectives based on Board self-evaluation <p>DIVERSE, INDEPENDENT BOARD WITH MIX OF TENURES</p> <ul style="list-style-type: none"> Set Board size to encourage robust discussion and engagement, while maintaining diverse perspectives <p>DIRECTOR EDUCATION</p> <ul style="list-style-type: none"> Orientation program to complement the recruitment process Briefing sessions on topics that present particular risks and opportunities to the company Site visit to GE and customer facilities

How We Evaluate the Board's Effectiveness

Annual Evaluation Process
The Governance Committee oversees and approves the annual formal Board evaluation process and determines whether it is appropriate for the evaluations to be conducted by the lead director or an independent consultant each year. In 2023, the evaluation process was conducted by Mr. Horton as lead director.

- WRITTEN QUESTIONNAIRES**
Directors completed written questionnaires, which are benchmarked and refreshed each year focusing on the performance of the Board and each of its committees.
- INDIVIDUAL INTERVIEWS**
The lead director conducted one-on-one interviews with each member of the Board focused on:
 - reviewing the Board's and its committees' performance over the prior year; and
 - identifying areas for potential enhancements of the Board's and its committees' processes going forward.
- DISCUSSION OF RESULTS**
The lead director reviewed the written questionnaires and interview responses with the chairs of each committee and then met with the full Board to discuss the findings from the evaluation.
- USE OF FEEDBACK**
The Board and each of its committees developed plans to take actions based on the results, as appropriate.

Shareholder Engagement in 2023

We have ongoing and robust engagement with our shareholders that includes governance-focused engagement meetings throughout each year. We value being close to our shareholders and hearing their feedback directly, as we seek to continuously improve GE's performance, programs and reporting. During the past year, we engaged with shareholders representing approximately 49% of our outstanding shares and approximately 64% of our outstanding shares held by institutional investors. The governance engagements highlighted below are in addition to the regular discussions that our senior leadership and Investor Relations teams have with many institutional and retail shareholders, which often include governance, sustainability and similar matters as well.

Regular Outreach to Engage with Shareholders



Taking Actions Informed by Shareholder Feedback

- | | |
|---|--|
| <p>STRATEGY See Page 16 ▶</p> <ul style="list-style-type: none"> Executing on plan to launch three independent companies. In January 2023, we completed the separation of our HealthCare business with the spin-off of GE HealthCare. We continue to work towards our planned launch of GE Vernova and GE Aerospace as independent public companies on April 2, 2024. | <p>BOARD OF DIRECTORS See Page 5 ▶</p> <ul style="list-style-type: none"> Named two new directors with aerospace industry and operating expertise to the GE Board, to continue as directors of GE Aerospace following the planned GE Vernova spin-off. Announced GE Vernova board of directors. The GE Vernova board will bring together directors with a broad mix of deep domain and other relevant experience expertise. |
| <p>EXECUTIVE COMPENSATION See Pages 31 & 32 ▶</p> <ul style="list-style-type: none"> Compensation decisions for NEOs. Again this year, annual bonuses for our named executives were formulaic and based only on predetermined performance targets for our businesses. GE Aerospace incentive compensation design. GE Aerospace is committed to strengthening alignment with shareholders through the inclusion of multi-year financial targets in the performance stock unit design. The design for these awards will be reviewed by the GE Aerospace Board and Compensation Committee after the spin-off of GE Vernova. | <p>SUSTAINABILITY See Page 16 ▶</p> <ul style="list-style-type: none"> Continued to strengthen reporting. We published our third annual Sustainability Report, which incorporated our updated reporting on diversity, human rights and other areas of shareholder interest. Climate reporting. We continued to refine our reporting of Scope 3 emissions for use of sold products for our Power and Aerospace businesses, with updated business-specific views of the technology roadmaps to make progress toward net zero by 2050. |

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Approach to Corporate Governance

Corporate governance disclosures are an opportunity for companies to demonstrate board effectiveness. The board's primary responsibilities should be discussed, together with adopted policies and practices that hold directors accountable. At a minimum, companies should explain the board's engagement on strategy, risk and succession planning.

Investor Perspective: Corporate Governance

BlackRock (U.S., 1/25)

We encourage companies to provide **transparency around risk management, mitigation, and reporting to the board**. . . . In the absence of robust disclosures, we may reasonably conclude that companies are not adequately managing risk.

We encourage the company to **explain their executive succession planning process**, including **where accountability lies within the boardroom for this task**, without prematurely divulging sensitive information commonly associated with this exercise.

We look to a **board to be engaged with and responsive** to the company's shareholders, including **acknowledging voting outcomes for director elections, compensation, shareholder proposals, and other ballot items**. Where we determine that a board has not substantially addressed shareholder concerns that we deem material to the business, we may vote against the responsible committees and/or individual directors.

State Street (Global, 3/24)

We expect companies to **disclose how the board provides oversight on its risk management system and risk identification**. Boards should also review existing and emerging risks that evolve in tandem with the changing political and economic landscape or as companies diversify or expand their operations into new areas.

When evaluating a board's oversight of risks and opportunities, **we assess the following factors, based on disclosures** by, and engagements with, portfolio companies: . . .

- Demonstrates an **Effective Oversight Process**
 - **Describes which committee(s) have oversight over specific risks and opportunities**, as well as which topics are overseen and/or discussed at the full-board level
 - Includes risks and opportunities in board and/or committee agendas, and **articulates how often specific topics are discussed at the committee and/or full-board level**
 - Utilizes KPIs or metrics to assess the effectiveness of risk management processes
 - Engages with key stakeholders including employees and investors . . .



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Investor Perspective: Corporate Governance

Vanguard (U.S., 2/24)

The analysis of proxy contests focuses on three key areas: . . . **The quality of company governance** [including . . .] – Is there evidence of effective, shareholder-friendly governance practices at the company? . . .

Boards should take a **thorough, integrated, thoughtful approach to identifying, quantifying, mitigating, and disclosing risks** that have the potential to affect shareholder value over the long term.

Boards should communicate their approach to risk oversight to shareholders through their normal course of business.

ISS (U.S. 1/25)

Directors should respond to investor input, such as that expressed through significant opposition to management proposals, significant support for shareholder proposals (whether binding or non-binding), and tender offers where a majority of shares are tendered.

Boards should be sufficiently accountable to shareholders, including through **transparency of the company's governance practices** and regular board elections, by the **provision of sufficient information for shareholders** to be able to assess directors and board composition, and through the ability of shareholders to remove directors.

Glass Lewis (U.S. 2025)

When 20% of more of shareholders vote contrary to management (which occurs when more than 20% of votes on the proposal are cast as AGAINST and/or ABSTAIN), **we believe that boards should engage with shareholders on the issue and demonstrate some initial level of responsiveness.**



Corporate Governance Highlights

Many companies supplement their detailed corporate governance discussion with a “highlights” section designed to demonstrate at a glance that they have implemented practices that promote shareholders’ long-term interests.

What to Think About

Shareholders and other interested stakeholders want companies to adopt “best practice” corporate governance policies to ensure, among other things, that:

- the director nominees are the right “mix” to oversee and drive the company’s strategy, business, and risk management;
- the board, through its leadership and committee structure, provides independent oversight apart from management;
- the board is active, engaged, and focused on critical areas, such as strategy, risk management, ESG, and HCM; and
- the board has developed processes to assess and maximize its effectiveness and is transparent and accountable.

To address those expectations, we recommend providing a succinct summary of the company’s most salient corporate governance practices. One common approach to presenting this content is a “what we do/what we don’t do” table, but that is hardly the only option. Some companies create an infographic that groups the information under titles that align with how the policies and practices are presented later in the proxy statement. Others create an index of sorts, offering page cross-references (or hyperlinks in electronic documents) to the full discussion.

If appropriate, it’s a good idea to include a callout box or icons to flag recent governance enhancements or newly adopted practices, particularly when they are responsive to shareholder feedback.

Some companies have provided a timeline of governance or disclosure enhancements to demonstrate a continuous improvement mindset and a practice of proactively responding to shareholders.

Corporate governance highlights should appear either in the proxy summary or at the beginning of the full governance section.

Labrador Transparency Award Criteria



- The document includes a summary of key governance highlights, practices and/or policies (e.g., what we do/don’t do, best practices list or adoption timeline).



Benchmarking Corporate Governance Highlights

38.0%

The document includes a summary of key governance highlights, practices and/or policies (e.g., what we do/don't do, best practices list or adoption timeline)

Key Examples

Kraft Heinz 2024 Proxy Statement

Bold and easy to read

Apple Inc. 2024 Proxy Statement

Straightforward table of policies



Key Examples

Raytheon Technologies 2024 Proxy Statement

Divides governance best practices into categories

Digital Realty Trust 2024 Proxy Statement

Timeline to show how governance has changed/improved

Walmart 2024 Proxy Statement

Simple list of governance practices accompanied by a summary of the board's actions for the past year

Corporate Governance

Our Continuing Commitment to Sound Corporate Governance
RTX is committed to strong oversight and governance practices that are grounded in a culture of integrity, accountability, transparency and the highest ethical standards. The Board believes this commitment enhances shareholder value.

GOVERNANCE BEST PRACTICES
Our Board has adopted robust governance practices, as set forth in our Corporate Governance Guidelines, our committee charters and other RTX documents and policies. The Governance Committee regularly monitors and considers current developments in corporate governance, as well as the views of our shareholders, to determine when to recommend governance changes to the Board to enhance board effectiveness.

Effective Board oversight

- Highly qualified Board with diverse mix of perspectives, experience and tenures
- Regular Board review of strategic plans and priorities, including ESG strategy and execution
- Regular Board/committee review of significant risks, including product safety and cybersecurity risks, and corporate culture
- Annual Board evaluation of CEO performance
- Regular CEO and senior management succession planning

Commitment to shareholder rights

- Active and ongoing shareholder engagement
- Proxy access with customary terms
- Shareowners can act by written consent
- Shareowners holding 15% of voting stock can call special meetings
- No charter provisions requiring more than a simple majority vote of shareowners
- Robust clawback policies
- No hedging, short sales or pledging of RTX securities by officers or directors
- Rigorous share ownership requirements for directors and senior management

Board independence

- 11 out of 13 director nominees are independent
- Robust Lead Director role, an independent position of authority with clearly defined responsibilities
- Independent directors meet regularly without management
- Fully independent Audit, Human Capital & Compensation and Governance Committees

Board accountability

- Annual Board, committee and individual director evaluations
- Annual election of all directors
- Majority voting for directors in uncontested elections
- Ongoing attention to Board composition and refreshment, along with a 15-year term limit and retirement age of 75
- Regular review of committee assignments and leadership, with objective to rotate chairs and members at least every five years
- Limits on outside public company board service
- Process for consideration and approval of new outside directorships and paid consulting/advisory engagements

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Governance Timeline and Improvements

Over the years, we have implemented corporate governance best practices and improvements as highlighted below.

2012 Implemented majority voting standard for director elections

2013 Board refreshment: Messrs. Kennedy and LaFrenz added to Board

2014 Approved new long-term incentive plan tied to relative total stockholder return

2015 Established minimum stock ownership guidelines

2016 Appointed first Independent Chairman (Mr. Singletary)

2016 Board refreshment: Messrs. Mohabbi and Peterson added to Board

2017 Appointed new Independent Chairman (Mr. Chapman)

2018 Provided stockholders the ability to renominate bylaws

2018 Board refreshment: Ms. Hogan Preusse added to Board

2019 Amended corporate governance guidelines to clarify that director candidate pools will include candidates with diversity of race, ethnicity and gender

2020 Board refreshment: Messrs. Mohabbi and Peterson added to Board

2020 Board refreshment: Ms. Coker did not stand for re-election (4 years on Board)

2021 Updated Nominating and Corporate Governance Committee Charter to include oversight responsibility of Company's ESG programs

2022 Ms. Hogan Preusse elected as Board Chair

2022 Appointed new CEO (Director (Mr. Power))

2023 Removed previous ownership requirements for stockholders to attend proxy

2023 Board refreshment: Messrs. Chapman and Singletary, longest-tenured directors, did not stand for re-election (8 years each on Board)

2024 Board refreshment: Ms. Swenney added to Board

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CORPORATE GOVERNANCE

Effective corporate governance is essential for maximizing long-term value for our shareholders. Our beliefs have been grounded in being a values-based ethically led organization, and it's this foundation that continues to influence our decisions and leadership.

Our governance structure is set forth in our Corporate Governance Guidelines and other key governance documents. These guidelines are reviewed at least annually and updated as appropriate in response to evolving best practices, regulatory requirements, feedback from our annual Board evaluations, and recommendations made by our shareholders, all with the goal of supporting and effectively overseeing our ongoing strategic transformation.

Corporate Governance Highlights

Our strong corporate governance practices demonstrate our Board's commitment to enabling an effective structure to support the successful oversight of our strategy.

Board Independence

- Majority Independent Board
- Lead Independent Director
- Governance Committees are Fully Independent

Other Board and Board Committee Practices

- Separate Chair and CEO
- Oversight of Risk and Enterprise Strategy
- Oversight of Human Capital Management
- Oversight of Political and Social Engagement and ESG Strategy
- Robust Stock Ownership Guidelines
- No Hedging and Restrictions on Pledging
- No Employment Agreements with NEOs
- No Change-in-Control Provisions
- Policy to include women and ethnically/diverse race candidates in all new director candidate pools

Board Performance

- Board Oversight of Company Strategy
- Annual Board Evaluations
- Robust Shareholder Engagement
- Commitment to Board Refreshment and Succession Planning
- Focus on Management Development and Succession Planning

Shareholder Rights

- Market Standard Proxy Access Right
- Shareholder Right to Call Special Meetings
- No Poison Pill
- No Supermajority Voting Requirements
- Annual Election of All Directors
- Majority Voting for Director Elections

The Board's Year in Strategy

The Board's activities are structured to oversee Walmart's strategy and to provide advice and counsel to management. The Board, working closely with the executive management team, has committed to important initiatives to better serve our customers and pursue our key objectives of making every day easier for busy families, shaping our culture and becoming more digital, operating with discipline and making trust a competitive advantage.

Since last year's meeting, and among other matters, the Board was involved in these governance and strategy discussions and actions:

- Approving a 3-for-1 forward stock split, Walmart's first stock split since 1999, and increasing the annual dividend payment by 9%
- Walmart's continued investments in technology and supply chain optimization, including new fulfillment and distribution centers
- Walmart's ongoing investments in associate compensation, training and education to support our omni-channel strategy
- Ongoing review of our international portfolio of operations
- Oversight of our enterprise strategy, including emerging new businesses and the development of our marketplace platform where sellers can market their products and reach more buyers through Walmart's eCommerce websites

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Key Examples

Target 2024 Proxy Statement

Comprehensive table of governance practices with cross-references to other places in the proxy where the topics are discussed

Accenture 2023 Proxy Statement

Detailed but well organized table



General information about corporate governance and the Board

Corporate governance highlights

Our core corporate governance practices are listed in the following table. In addition, we regularly evaluate our practices against prevailing best practices and emerging and evolving topics identified through shareholder outreach, current literature, and corporate governance organizations.

Practice	Description	Page(s)
Accountability to shareholders		
Board evaluations and refreshment	The Board regularly evaluates its performance in a variety of ways. Those evaluations, changes in business strategy and operations, and anticipated director retirements are considered by the Governance & Sustainability Committee in determining desired skills for future Board members to supplement the general Board membership criteria in our Corporate Governance Guidelines.	20-23
Annual elections	All directors are elected annually, which reinforces our Board's accountability to shareholders.	20
Majority voting standard	Our Articles of Incorporation require a "majority voting" standard in uncontested director elections—each director must receive more votes "For" their election than votes "Against" in order to be elected.	20
Director resignation policy	An incumbent director that does not meet the majority voting standard must promptly offer to resign. The Governance & Sustainability Committee will make a recommendation and the Board must act on the offer within 30 days and publicly disclose its decision and rationale.	20
Proxy access	Any shareholder or group of up to 20 shareholders owning 1% or more of Target common stock continuously for at least the previous three years may nominate and include in our proxy materials director nominees totaling up to the greater of 20% of the Board or at least two directors.	91-92
No poison pill	We do not have a poison pill.	
10% special meeting threshold	Shareholders owning 10% or more of Target's outstanding stock have the right to call a special meeting of shareholders.	
Shareholder voting rights are proportional to economic interests		
Single voting class	Target common stock is the only class of voting shares outstanding.	86
One share, one vote	Each share of Target common stock is entitled to one vote.	86
Responsiveness to shareholders		
Responses to shareholder proposals	The Board responds to shareholder proposals that receive significant support by either making the proposed changes or explaining why the actions were not taken through the shareholder engagement process, proxy statement disclosures, or other means.	73
Understanding opposition to management proposals	As part of its shareholder engagement process, the Board seeks to understand the reasons for, and respond to, significant shareholder opposition to management proposals, as applicable.	19
Availability of independent directors	Target's Lead Independent Director is expected to be available for shareholder engagement, as appropriate.	10, 19
Strong, independent leadership		
Independence	A majority of our directors must be independent. Currently, all of our directors other than our CEO are independent, and all of our Committees consist exclusively of independent directors.	12, 18

General information about corporate governance and the Board

Practice	Description	Page(s)
Lead Independent Director	Whenever our CEO is also the Chair of the Board, our Bylaws and Corporate Governance Guidelines require a Lead Independent Director position with robust responsibilities to provide independent oversight of our CEO and Leadership Team.	10
Annual elections for Lead Independent Director and Chair	Both the Lead Independent Director and the Chair of the Board are elected annually by the independent directors, which ensures that the leadership structure is reviewed at least annually.	10
Committee membership and leadership relations	The Governance & Sustainability Committee reviews and recommends Committee membership. The Board appoints members of its Committees annually, rotates Committee assignments periodically, and seeks to rotate the Lead Independent Director position and Committee Chair assignments every four to six years.	10-11
Structures and practices enhance Board effectiveness		
Diversity	The composition of our Board represents broad perspectives, experiences, and knowledge relevant to our business while maintaining a balanced approach to gender and ethnic diversity. In addition, the Board's policy is to include candidates that identify as members of historically underrepresented groups in the pool of potential director candidates to be considered by the Governance & Sustainability Committee.	20, 22-24
Director tenure policies	Our director tenure policies include mandatory retirement at age 75 and a maximum term limit of 20 years. These policies encourage Board refreshment and provide additional opportunities to maintain a balanced mix of perspectives and experiences.	22
Director maximum outside boards policy	Any director serving as a CEO of a public company is expected to serve on no more than two public company boards (including our Board), and other directors are expected to serve on no more than four public company boards (including our Board).	23
Director onboarding and continuing education	To enhance and expand the Board's knowledge of the retail industry and topics relevant to its oversight responsibilities, we provide an extensive new director onboarding session. We also encourage our directors to participate in relevant continuing director education programs.	22
Strategy and risk oversight	We disclose how strategy and risk oversight is exercised at the Board level and how risk oversight responsibilities are allocated among the Board and its Committees.	14-18
Management development and succession planning	Our Board regularly reviews senior management development and succession planning, with more in-depth reviews regularly conducted by the Compensation & Human Capital Management Committee.	16
Sustainability	We disclose how oversight responsibility for sustainability matters is allocated among the Board and its Committees and how our Leadership Team advances those priorities in support of our business. We also report about sustainability matters under widely used reporting standards and frameworks.	16-17
Information security, cybersecurity, and data privacy	We disclose how oversight responsibilities related to information security, cybersecurity, and data privacy are allocated among the Board and its Committees, and provide information about our program and practices.	17
Executive compensation incentive structures are aligned with long-term strategy	Performance linked to The Compensation & Human Capital Management Committee has identified short- and long-term long-term strategy drives performance goals that align with Target's strategy and has incorporated those goals into executive incentive awards.	41
Communicating executive compensation to shareholders	The CDMA explains how performance goals drive our executive compensation plans and connect to Target's long-term strategy.	37-54
Follow leading compensation practices	See "Target's executive compensation practices."	51

For your convenience, we organized the corporate governance highlights in the table above to show how our corporate governance practices compare favorably with the corporate governance principles developed by ISS, which reflect common corporate governance beliefs featured in the proxy voting guidelines of the largest institutional investors and global asset managers who are part of ISS.

Corporate Governance

Corporate Governance Practices

Accenture has a history of strong corporate governance. We are committed to governance policies and practices that serve the interests of the Company and its shareholders. Over the years, our Board has evolved our practices in the interests of Accenture's shareholders. Our governance practices and policies include the following, among other things:

Board Structure and Independence	Independent Board	All of our directors are independent except for our chair and chief executive officer.
	100% independent Board committees	Each of our four committees consists solely of independent directors. Each standing committee operates under a written charter, which is reviewed annually, that has been approved by the Board.
	Strong independent Lead Director, elected by the independent directors	We have an independent Lead Director of the Board who has comprehensive duties that are set forth in the Company's Corporate Governance Guidelines, including leading regular executive sessions of the Board, where independent directors meet without management present.
	Commitment to Board refreshment	Our Board takes an active role in Board succession planning, is committed to Board refreshment and works towards creating a balanced Board with both fresh perspectives and deep experience. As a refreshment mechanism, we have a retirement age of 75. The current average tenure of our 11 director nominees is 6.1 years.
	Director selection process	Our Board has a rigorous director selection process resulting in a diverse and international Board in terms of gender, race, ethnicity, experience, perspectives, skills and tenure.
Board Oversight	Board oversight of ESG	The Board has delegated ESG oversight responsibility to committees of the Board based on the expertise of those committees. The Nominating, Governance & Sustainability Committee oversees the Company's overall ESG performance, disclosure, strategies, goals and objectives and monitors evolving ESG risks and opportunities. The Compensation, Culture & People Committee oversees the Company's strategies related to the Company's people, including matters such as pay equity, inclusion and diversity, leadership succession and culture and monitors related risks. The Audit Committee oversees our approach to the quality of ESG-related data and controls.
	Board oversight of strategy and risk	Our Board provides active oversight of our strategy and enterprise risk management program (including cybersecurity, responsible AI and data privacy risks). The Audit Committee's oversight responsibility includes information technology risk exposures, including cybersecurity, data privacy and data security.
Shareholder Rights	Annual election of directors	All of our directors are elected annually.
	Authority to call special meetings	Shareholders holding 10% or more of our outstanding share capital have the right to convene a special meeting.
	No shareholder rights plan ("poison pill")	The Company does not have a poison pill.
	Proxy access right	Eligible shareholders can (subject to certain requirements) include their own qualified director nominees in our proxy materials.

Corporate Governance

Other Strong Corporate Governance Practices	Annual Board, committee and individual director evaluations and self-assessments	The Nominating, Governance & Sustainability Committee conducts a confidential survey of the Board and its committees each year. The independent Lead Director and chair of the Nominating, Governance & Sustainability Committee also conduct a self-assessment interview with each Board member that is designed to enhance his or her participation and role as a member of the Board, as well as to assess the competencies and skills each individual director is expected to bring to the Board.
	Board diversity policy	As part of the search process for new director candidates, the Nominating, Governance & Sustainability Committee actively seeks out women and underrepresented candidates to include in the pool from which Board nominees are chosen (and instructs any search firm engaged for the search to do so).
	Director overboarding policy	Our directors may not serve on the boards of more than three public companies, in addition to our Board, and directors who are chief executive officers of public companies may not serve on the boards of more than two other public companies, in addition to our Board.
	Active shareholder engagement	We regularly engage with our shareholders to better understand their perspectives, and our independent Lead Director has participated when requested by major shareholders.
	Code of Business Ethics	Our Code of Business Ethics, which applies to all employees as well as all members of the Board, reinforces our core values and helps drive our culture of compliance, ethical conduct and accountability. The contents of our Code of Business Ethics are organized by six fundamental behaviors: Make Your Conduct Count; Comply with Laws; Deliver for Our Clients; Protect People, Information and Our Business; Run Our Business Responsibly; and Be a Good Corporate Citizen.
	Clawback policies	We maintain two clawback policies applicable to our current and former executive officers. Our Mandatory Clawback Policy complies with the requirements imposed pursuant to Exchange Act Rule 101-1 and provides for clawback of excess incentive-based compensation in the event of a financial restatement. Our Senior Leadership Clawback policy applies to a broader group of individuals, including our current and former executive officers and other senior leaders, and provides for the recoupment of time- and performance-based cash and equity incentive compensation under specified circumstances as further described under "Executive Compensation—Compensation Discussion and Analysis—Additional Information."
	Director and executive officer equity ownership requirements	Each named executive officer is required to hold Accenture equity with a value equal to at least six times his or her base compensation by the fifth anniversary of becoming a named executive officer. Each director is required to hold Accenture equity having a fair market value equal to three times the value of the annual director equity grants within three years of joining the Board.
	Prohibition on hedging or pledging of company stock	Our directors and all employees are prohibited from entering into hedging transactions, and our directors, our chair and chief executive officer, executive officers, members of our global management committee and other key employees are prohibited from entering into pledging transactions.



Oversight of Strategy

Since board oversight of a company's strategy and long-term value creation is arguably the board's most important function, it is not surprising that more proxies are including information about the board's engagement in overseeing strategy. Importantly, this discussion should also support, and be supported by, the discussion of director skills by clearly identifying and linking the director skills essential to overseeing the company's strategy and explaining how the board is continually assessing its needs to address changes in strategic direction.

In evaluating proxy contests, investors will often look to see if the current board's oversight of company strategy or execution has been deficient. Therefore, companies that provide transparent disclosures related to the board's strategic oversight, and its connection with the other major risk topics and governance processes, are more likely to receive shareholder support of the company's slate of directors.

What to Think About

- **Dedicated Section on Strategy Oversight:** We recommend a standalone section, near the beginning of the board oversight disclosures, dedicated to the board's strategic oversight role, which may or may not be combined with a discussion of risk oversight.
- **Infographic Opportunities:** Consideration should be given to grouping all oversight topics under a board responsibilities header and including a visual at the beginning of the section to demonstrate how

oversight of strategy is related to other board responsibilities. In addition, companies are increasingly using infographics to demonstrate the Board's cadence or activities related to strategic governance and oversight.

- **Disclosure Considerations:** Investors and other stakeholders want a clear view into the boardroom to understand how the board oversees the creation of the company's strategy, including the frequency and ways in which it is reviewed. They want to understand the interrelationships among the company's strategy, the risks that are significant to the company's business (including

climate change risk), and executive compensation. Investors also want assurance that there is strong alignment of the directors' areas of expertise with a company's strategy.

Labrador Transparency Award Criteria

- The document includes a dedicated section, sub-section or callout discussing the board's role in oversight of strategy.



Benchmarking Oversight of Strategy

57.0%

The document includes a dedicated section, sub-section or callout discussing the board's oversight of strategy



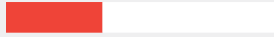
59.6%

Located in its own section



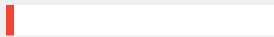
36.8%

Combined with Risk Oversight section



3.5%

Discussed in other location within the document



Key Examples

Allstate 2024 Proxy Statement

Key responsibilities infographic with tie into board skills in introduction

2024 Proxy Statement
Corporate Governance

Engaged Oversight
Allstate's Board brings the right skills, expertise and experience to effectively oversee the business, including the company's significant risk and return priorities.

Key Areas of Risk Oversight

Risk and Return Management	Ethics and Compliance	Strategy	The Board has primary responsibility for risk oversight and the Board committees assist the Board in fulfilling its oversight of the company's risk and return management structure and governance. Risks are regularly identified, measured, managed and reported and risk and return perspectives are shared with the Board across six risk types: Financial, Insurance, Investment, operational, strategic execution and culture.
Operating and Financial Performance	Human Capital Management	Cybersecurity	The chief risk officer's assessment of Allstate's current risk position and alignment with risk and return principles is reviewed throughout the year, including risks associated with risk and return management structure, ethics and compliance, strategy, operating performance, human capital management, cybersecurity, political engagement, sustainability (including climate) and compensation. See page 49 for additional detailed information about governance and oversight of risk management.
Political Engagement	Sustainability	Compensation	What's New In 2023, the Board reviewed correlation risks and enterprise diversification, which results from the company's highly diversified risk of business and investment activities.

Risks are regularly identified, measured, managed and reported and risk and return perspectives are shared with the Board across six risk types:

- Financial
- Insurance
- Investment
- Operational
- Strategic Execution
- Culture

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Goldman Sachs 2024 Proxy Statement

Key responsibilities infographic, with detailed narrative using bullet point presentation

CORPORATE GOVERNANCE—BOARD OVERSIGHT OF OUR FIRM
KEY AREAS OF BOARD OVERSIGHT

Board Oversight of our Firm

Key Areas of Board Oversight

Our Board is responsible for, and committed to, the oversight of the business and affairs of our firm. In carrying out this responsibility, our Board, working with and through its Committees, as applicable, discusses and receives regular updates on a wide variety of matters affecting our firm. Our reputation is a core consideration, as is our culture, as our Board advises senior management to help drive success for our clients and our communities in order to create long-term, sustainable value for our shareholders.

Strategy

- Our Board oversees and provides advice and guidance to senior management on the formulation and implementation of the firm's strategic plans. This occurs year-round through presentations and discussions covering firmwide, business and regional strategy, business planning and growth initiatives, both during and outside Board meetings.
- Strategic oversight takes various forms, including discussions regarding strategic direction and focus, review of existing and new business initiatives and progress on the key performance indicators (KPIs) that underpin our through-the-cycle targets and inform consideration of firm performance pursuant to the Compensation Committee's Assessment Framework, as well as ongoing assessment of potential organic and inorganic growth opportunities.
- A strong and effective risk and control environment is a strategic imperative, which necessitates commitment to ongoing enhancements to our enterprise risk management framework, overseen by the Board and carried out by management across all lines of defense. Our Board's focus on oversight of risk management enhances our directors' ability to provide insight and feedback to senior management and, if necessary, challenge management on its development and implementation of the firm's strategic priorities.
- Our Lead Director helps facilitate our Board's oversight of strategy, including through discussions with independent directors during executive sessions, as needed.
- Throughout 2023, our Board engaged on an ongoing basis with our CEO, COO and CFO, as well as other key members of senior management and leaders across our reverse businesses and control, finance and operating functions, on management's execution of the firm's decisions to narrow its strategic focus, which will drive our long-term strategy.
 - This included Board review and approvals relating to the sales of our Marcus loan portfolio, our Personal Financial Management business and GreenSky, as well as discussions focused on driving growth across Asset & Wealth Management, unlocking synergies across Global Banking & Markets and developing our forward strategy within Platform Solutions, including our agreement with General Motors regarding a process to transition their credit card program to another issuer.
 - The Board also engaged with management in discussions regarding new and emerging technologies, such as generative artificial intelligence, geopolitical considerations and new regulation and regulatory expectations, each of which inform the development and execution of our long-term strategy.
- Our Board will continue to receive regular updates from, and provide advice to, management as they execute on the firm's strategy.

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Key Examples

Coca Cola Company 2024 Proxy Statement

Key responsibilities infographic combined with infographic on strategic oversight

Northrop Grumman 2024 Proxy Statement

Key responsibilities infographic

American Express 2024 Proxy Statement

Strategy Oversight Infographic

IBM 2024 Proxy Statement

Strategy Oversight Infographic

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Board and Committee Governance

ROLE OF THE BOARD

The Board is elected by the shareholders to oversee their interests in the long-term health, financial strength, and overall success of the Company's business. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved for or shared with the shareholders. The Board oversees the Company's governance practices, the proper safeguarding of the assets of the Company, the maintenance of appropriate financial and other internal controls, and the Company's compliance with applicable laws and regulations. The Board selects the Chief Executive Officer ("CEO") and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

Key Responsibilities of the Board

OVERSIGHT OF BUSINESS STRATEGY	OVERSIGHT OF RISK	SUCCESSION PLANNING
<ul style="list-style-type: none"> The Board oversees and monitors strategic planning. Business strategy is a key focus at the Board level and embedded in the work of Board committees. Company management is charged with managing risk through robust internal processes and effective internal controls. The CEO is charged with preparing and reviewing with the Board the Corporate Governance and Sustainability Committee, talent development plans for senior executives and their potential successors. 	<ul style="list-style-type: none"> The Board oversees risk management, including: <ul style="list-style-type: none"> Board committees, which meet regularly and report back to the full Board, play a significant role in carrying out the risk oversight function. Company management is charged with managing risk through robust internal processes and effective internal controls. The CEO is charged with preparing and reviewing with the Board the Corporate Governance and Sustainability Committee, talent development plans for senior executives and their potential successors. 	<ul style="list-style-type: none"> The Board oversees succession planning and talent development for senior executive positions. The Corporate Governance and Sustainability Committee, which meets regularly and reports back to the full Board, has primary responsibility for developing succession plans for the CEO position. The CEO is charged with preparing and reviewing with the Board the Corporate Governance and Sustainability Committee, talent development plans for senior executives and their potential successors.

Overnight of Business Strategy

Overnight of the Company's business strategy and strategic planning is a key responsibility of the Board. The Board's oversight role involves assessing the opportunities and risks associated with the Company's current strategy as well as any proposed changes or new strategies. The Board believes that overseeing and monitoring strategy is a continuous process and takes a multifaceted approach in executing the duties, including by delegating certain subject matter areas to relevant committees, while also discussing committee reports and significant Company-wide initiatives as a full Board.

While the Board uses the committees to oversee strategic planning, Company management is charged with executing the business strategy. To monitor performance against the Company's strategic goals, the Board receives regular updates and actively engages in dialogue with the Company's senior leaders. Company leaders and key business partners from around the world are also regularly invited to present strategic updates and initiatives to the Board, giving Directors insight into local execution.

To build industry knowledge and help ensure a holistic business perspective, boardroom discussions of strategy and results are enhanced with first-hand experiences, such as key geographic market and plant visits, which provide Directors an opportunity to see execution of the business strategy directly. For example, in 2023, the Board sampled new products from various markets to better understand the Company's total beverage portfolio and conducted market visits in certain locations around the world to learn about regional market trends and system execution. Additionally, the Board attended a global system meeting, where the Directors connected with key bottling partners and learned about the Company's overarching goals and strategy. They also attended a demonstration of Coca-Cola's digital ecosystem that integrates marketing, direct sales and analytics data and technology, which launched in 2023.

While the Board's oversight and management's execution of business strategy are viewed with a long-term mindset, the Board and management promote agility by regularly monitoring progress and results against the Company's business strategy.

The Board is committed to oversight of the Company's business strategy and strategic planning, including work embedded in regular Board and committee meetings, as well as a dedicated Board meeting each year to focus on strategy.

This ongoing effort enables the Board to focus on Company performance over the short, intermediate and long term. In addition to financial and operational performance, operational resources, including sustainability goals, are discussed regularly by the Board and Board committees.

The Coca-Cola Company 2024 Proxy Statement

Corporate Governance

Role of the Board and Key Areas of Board Oversight

The primary responsibility of our Board is to foster the long-term success of the Company, promoting the interests of our shareholders. Our directors are well informed and exercise their business judgment in a manner they reasonably believe to be in the best interests of the Company and our shareholders and in a manner consistent with their fiduciary responsibilities. The role of the Board includes, but is not limited to, the following:

Strategy and Risk

- Oversee our long-term business strategies, operations and performance (including restricted programs)
- Oversee management of each of our major risks and the enterprise risk management processes overall, including management of cyber and other security risks
- Review and approve significant corporate actions

Culture and Human Capital

- Ensure a strong culture
- Oversee human capital strategy
- Execute robust succession planning, including selecting the Chief Executive Officer, and electing officers of the Company
- Oversee our diversity, equity and inclusion programs
- Review and approve executive compensation

Governance

- Ensure an effective corporate governance practice
- Oversee our ethics and compliance programs
- Review and enhance Board performance
- Elect directors to fill vacant positions between Annual Meetings
- Oversee our commitment to sustainability
- Provide advice to management

Risk Oversight

As noted above, the Board is responsible for overseeing our enterprise risk management activities, with a particular focus on the Company's significant risks. For each such risk, the Company has identified a senior executive responsible for managing the risk and a Board committee (or the full Board), responsible for providing oversight. The Enterprise Risk Management Council (ERMC) reviews the significant risks to the enterprise. Across each significant risk is being effectively managed, mitigated and managed through the senior executive identified to manage that risk, and helps to ensure that each risk is appropriately disclosed, including in the Company's Annual Report on Form 10-K and other public filings. The senior executive and other members of management regularly update the responsible committee or the full Board on the nature of the risk and mitigation measures, including their effectiveness. Management and the Board also regularly consider emerging or potentially emerging risk, and steps necessary to address them.

As discussed on the next page, each of our Board committees assists the Board in the role of risk oversight.

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How Our Board Oversees Our Annual Business Plan and Corporate Strategy

Our Board is responsible for overseeing the development of the Company's strategy, which articulates the Company's strategic objectives for its business, helps establish and maintain an effective risk management structure and control functions and provides direction to senior management to determine which business opportunities to pursue. At the beginning of each year, our senior management presents our consolidated annual business plan to the Board, and the Board discusses the Company's results relative to the plan periodically throughout the year. The Board holds senior management accountable for effectively implementing the Company's strategy consistent with its risk appetite, while maintaining an effective risk management framework and system of internal controls. Each year the Board holds an offsite strategy meeting to conduct a deep dive into the Company's strategic goals, timeline to achieve these goals and execution plans.

IN-DEPTH REVIEW BY GLOBAL BUSINESS GROUPS

DISCUSSION OF COMPANY RESULTS RELATIVE TO THE ANNUAL BUSINESS PLAN

COMPREHENSIVE REVIEW OF COMPANY'S STRATEGIC GOALS

CONSOLIDATION OF ANNUAL BUSINESS PLAN

How Our Board Engages in Ongoing CEO and Key Executive Succession Planning

Our Board ensures that we have the right management talent to pursue our strategies successfully.

The entire Board is involved in the critical aspects of the CEO succession planning process, including establishing selection criteria that reflect our business strategies, identifying and evaluating potential internal candidates and making key management succession decisions. Succession and development plans are regularly discussed with the CEO as well as without the CEO present in executive sessions of the Board. The Board makes sure that it has adequate opportunities to meet with and assess development plans for potential CEO and senior management successors to address identified gaps in skills and attributes. This occurs through various means, including informal meetings, Board dinners, presentations to the Board and committees, attendance at Board meetings and the comprehensive annual talent review. In addition, the Board has developed and approved an emergency CEO succession plan.

The Board also oversees Management's succession planning for other key executive positions. Our Board calendar includes at least one meeting each year at which the Board conducts a detailed talent review, which includes a review of the Company's talent strategies, leadership pipeline and succession plans for key executive positions.

Additionally, we believe that maintaining our strong workplace culture, adhering to our Blue Box Values and ensuring that our people feel included, valued, recognized and backed will help us attract, retain and develop the right talent to lead the Company and successfully execute our corporate strategy. The Board reviews several college development, compensation, wellness and culture programs each year, in addition to the detailed results of the Company's Annual College Experience Survey, our Annual College Experience Survey provides insights into employee satisfaction, leadership, efficiency, career opportunities and career development. The insights provided by the survey help inform the American Express colleague experience, workplace culture and business results. Please see page 41 for additional information about our workplace culture.

Proxy Summary	Corporate Governance at American Express	Environmental, Social & Governance (ESG)	Audit Committee Matters	Executive Compensation and Director Election	Shareholder Proposals	Stock Ownership	Other Information
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Strategy Oversight

The Board actively oversees IBM's long-term business strategy and is actively engaged in ensuring that IBM's culture reflects its longstanding commitment to integrity, compliance, and inclusion. The Board is continuously engaged with management on these topics. For example, each year, the Board:

- Holds a strategy session, including presentation from, and engagement with senior management on critical business matters that tie to IBM's overall strategy
- Regularly engages with senior management on critical business matters that tie to IBM's overall strategy
- Periodically meets with IBM's Chief Executive Officer to discuss the status of the Company's operations
- Regularly meets with senior management to discuss the status of the Company's operations and inclusion
- Participates in regular discussions with IBM's Board of Directors and IBM's Board of Directors

Risk Oversight

At IBM, we believe that innovation and leadership are impossible without taking risks. We also recognize that imprudent acceptance of risk or the failure to appropriately identify and mitigate risk could be destructive to stockholder value. Our risk professionals rigorously analyze both enterprise and emerging risks, incorporating both internal and external perspectives and data analytics into a comprehensive annual enterprise risk review. This approach is leveraged by management in monthly enterprise risk reviews, to proactively identify and respond to changes in the business environment. IBM's comprehensive annual enterprise risk review is also discussed with both the Audit Committee and full Board.

Risk assessment is integral to the Board's strategic planning and in the analysis of transactions and other matters presented to the Board, including capital expenditures, acquisitions, divestitures and other portfolio actions, and operational and financial matters. In addition to the annual enterprise risk reviews, IBM's risk professionals, including the Chief Risk Officer, work closely with senior management to integrate risk assessment into Board and committee meetings on topics of strategic importance. The Board and the Audit Committee also receive reports from IBM's Chief Trust and Compliance Officer (CTCO) on compliance related matters. The CTCO reports to the Senior Vice President and General Counsel with dotted line reporting to the Audit Committee, and holds a private session with members of the Audit Committee at every meeting.

The Board's role in risk oversight of IBM is consistent with IBM's leadership structure, with the CEO and other members of senior management having responsibility for assessing and managing IBM's risk exposure, and the Board and its committees providing oversight in connection with those efforts. Our risk oversight framework also aligns with our disclosure controls and procedures. For example, IBM's quarterly and annual financial statements and related disclosures are reviewed by its disclosure committee, comprised of senior management including IBM's Controller, Chief Auditor, General Counsel, Chief Trust and Compliance Officer, and others, all of whom participate in the risk assessment practices described above. The CEO and CFO then receive a report from the disclosure committee and external auditor before the financial statements are reviewed with the Audit Committee and Board, approved, and then filed.

The Board is responsible for overseeing management's execution of risk oversight and for assessing IBM's approach to risk management, and the full Board regularly meets to discuss IBM's enterprise risk management framework and processes. The Board exercises its responsibilities in Board meetings through the Board's committees comprised of independent directors, each examining various components of both enterprise and emerging risks, and during executive sessions of the Board, which are held at every Board meeting.

- The Audit Committee continuously reviews financial and operational risks identified through IBM's enterprise risk management framework, and oversees implementation of and compliance with IBM's Business Conduct Guidelines.
- The Executive Compensation and Management Resources Committee is responsible for assessing risk related to IBM's compensation program and employee engagement as an indicator of Company culture, and assesses any potential risks to IBM's working conditions to talent.
- The Directors and Corporate Governance Committee oversees risks associated with government and industry regulations, as well as corporate social responsibility, sustainability, environmental and other societal and governance matters.

IBM's senior management is responsible for assessing and managing IBM's various exposures to risk on a day-to-day basis, including the creation of appropriate risk management programs and policies. IBM has developed a consistent, systemic and integrated approach to risk management, including the enterprise risk management framework, to help determine how best to identify, manage, and mitigate significant risks throughout IBM. Senior management works with external advisors and consults with IBM's peer group on the broader risk landscape to help inform IBM's decisions, policies and procedures. Management regularly reports to the Board and the committees on a variety of risks.

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Key Examples

Chevron 2024 Proxy Statement

Discussion of emissions and HCM as part of oversight of strategy

corporate governance

board oversight of strategy

The Board of Directors provides guidance to and oversight of management with respect to Chevron's business strategy throughout the year. The Board dedicates at least one meeting each year to focus on Chevron's strategic planning...

higher returns, lower carbon

At Chevron, we believe the future of energy is lower carbon, and we support the global ambitions of the Paris Agreement. Affordable, reliable, ever-cleaner energy is essential to achieving a more prosperous world.

We are building on our capabilities, assets, and customer relationships as we aim to lead in lower carbon-intensity oil, products, and natural gas, as well as advance new products and solutions that reduce the carbon emissions of major industries.

Our Board has been heavily engaged in support of our energy transition strategy on our stockholders' behalf. We intend to be a leader by delivering lower carbon energy to meet demand today and help develop new solutions for tomorrow.

- Investing efficiently in high-return projects.
Lowering the carbon intensity of our operations through efficiency, methane management, flaring, reduction, and other means.
Helping to reduce the carbon emissions of major industries by advancing new products and solutions, including renewable fuels, CCUS, hydrogen, and other emerging technologies, such as geothermal, and
Supporting innovation and transformational technology to scale lower carbon solutions.

In 2021, Chevron established planned capital spend of approximately \$10 billion through 2028 to advance its lower carbon strategy.



lowering carbon intensity

Prorating emissions expected to return the targeted reduction in carbon intensity for every dollar invested, and holding ourselves accountable with transparent targets



lowering carbon businesses

Seeking to grow lower carbon businesses in renewable fuels, CCUS and offsets, hydrogen, and other emerging technologies

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corporate governance

Lower carbon intensity of our operations: In 2021, we built upon our previously disclosed metrics and targets and updated greenhouse gas (GHG) emissions intensity targets through 2028, introduced a net zero aspiration by 2050 for upstream Scope 1 and 2 emissions, introduced the Portfolio Carbon Intensity (PCI) methodology to facilitate carbon-intensity accounting, and established a PCI target covering Scope 1, Scope 2, and certain Scope 3 emissions from use of products.

Our 2021 Climate Change Resilience Report (CCSR) - a report aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) - describes our GHG intensity targets for oil, gas, flaring, and methane for 2026, and our 2022 Methane Report provides detailed information on our ongoing work to reduce methane intensity and improve methane emissions inventories.

In alignment with the Paris Agreement requirement that governments report their performance in five-year stocktakes, we have set metrics for 2023 (which were achieved in 2020) and 2028 and intend to set targets every five years thereafter. The table below summarizes Chevron's portfolio GHG emissions intensity reduction targets:

Table with 2 columns: Metric and Target. Rows include: Chevron's Portfolio Carbon Intensity (Scope 1, 2, and 3) equity-based reduction target for 2028 (PCI: 71 t CO2e/M), Aspiration: Net-Zero Upstream business by 2050 (Scope 1 and 2), Chevron's Upstream Carbon Intensity (Scope 1 and 2) reduction targets for 2028, Upstream Carbon Intensity Equity-Based Targets (Oil: 24 kg CO2e/boe for oil, Gas: 24 kg CO2e/boe for gas), Methane (3 kg CO2e/boe for methane), Flaring (3 kg CO2e/boe for overall flaring), and CO2e to carbon dioxide equivalents.

Our lower carbon businesses: We are also focused on growing businesses targeting harder-to-abate sectors, such as manufacturing, aviation, marine transport, and heavy-duty transportation. To accelerate progress, in 2021, we formed Chevron New Energies, an organization focused on areas where we believe we can build competitive advantages and that target these harder-to-abate sectors.

Our ability to achieve any aspiration, target or objective outlined herein is subject to numerous risks, many of which are outside of our control. Examples of such risks include: (1) the continuing progress of commercially viable technologies and low- or non-carbon-based energy sources; (2) the availability of necessary permits by governing authorities; (3) the availability of cost-effective, verifiable carbon credits; (4) the availability of suppliers that can meet our sustainability and other standards; (5) evolving regulatory requirements affecting environmental, social, and governance standards or disclosures; (6) evolving standards for tracking and reporting emissions and emissions reductions and renewals; (7) customer and consumer preferences and use of the Company's products or substitute products; and (8) actions taken by the Company's competitors in response to legislation and regulations. These risks relate to risk factors regarding our operations, forecasts, and disclosures related to environmental, social, and governance matters included on pages 25-26 of Chevron's Annual Report on Form 10-K for the year ended December 31, 2022.

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corporate governance

Since 2016, the Management Compensation Committee has included milestones related to greenhouse gas management for the Chevron Incentive Plan ("CIP") scorecard. To ensure accountability for our efforts to help advance a lower carbon future, we modified the 2021 CIP scorecard to include an Energy Transition category. In 2022, the CIP scorecard performance measures in the Energy Transition category were enhanced to include "renewable fuels," "hydrogen," and "carbon capture and offsets."

Reaching the ambitions of the Paris Agreement will require breakthrough in technology and innovation, more ambitious government policy, the ability to attract and forge new partnerships, and many other important factors. In one country, no one industry, no one company acting alone can meet the world's energy and climate goals.

human capital management

Chevron's strategy requires the engagement of a skilled, high-performing workforce. The Board understands the importance of our workforce to the successful execution of our strategy and oversees our human capital strategy, including succession planning, our culture, and diversity and inclusion. The Board reviews executive succession planning at least twice per year, periodically receives updates on diversity, culture, and employee engagement, and interacts with employees at least twice per year during site visits and briefings at Company facilities, all of which is part of the Board's oversight of human capital.

We invest in our workforce and culture, with the objective of engaging employees to develop their full potential to deliver energy solutions and enable human progress. We hire, develop, and strive to retain a diverse workforce of high-performing talent, and foster a culture that values diversity, inclusion, and employee engagement. The Chevron Way explains our beliefs, vision, purpose, and values. It guides how the Company's employees work and establishes a common understanding of our culture and aspirations. Our leadership is accountable for the Company's investment in people and the Company's culture. This includes reviews of metrics addressing critical function hiring, leadership development, retention, diversity and inclusion, and employee engagement.

As we strive to empower our team, we are proud of the external recognition we have received, including, among other accolades, ratings of 100% on the Human Rights Campaign Foundation's Corporate Equality Index for the 18th year in a row and the Disability Equality Index for the fifth consecutive year. Additional information about our efforts to put our people at the center of everything we do can be found on the "Social" and "Diversity and Inclusion" pages on our website.

hiring, development, and retention

Our approach to attracting, developing, and retaining a global, diverse workforce of high-performing talent is anchored in a long-term employment model that fosters an environment of personal growth and engagement. Our philosophy is to offer compelling career opportunities and a competitive total compensation and benefits package linked to individual and enterprise performance. We recruit new employees in part through partnerships with universities and diversity associations. In addition, we recruit experienced hires to support specialized skills.

Our learning and development programs are designed to help employees achieve their full potential by building technical, operating, and leadership capabilities at all levels to produce energy safely, reliably, and efficiently. Our management regularly reviews metrics on employee training and development programs, which are continually refined to meet the needs of our evolving business. We invest in developing leadership at every level. For example, we maintain a coaching program that reaches deep into the organization, including front-line supervisors, managers, and individual contributors.

In addition, to ensure business continuity, management regularly reviews the talent pipeline, identifies and develops succession candidates, and builds succession plans for key positions.

The Board is actively involved in reviewing and approving executive compensation, personnel selections, and succession plans for senior management positions. In addition to the approval of the CEO led by the Lead Director, the CEO periodically provides the Board with an assessment of senior executives and their potential as successors to the CEO position, as well as perspectives on potential candidates for other senior management positions. Members of the Board also meet directly with potential candidates for senior management positions. Our development programs and succession planning practices prepare us to continue providing the energy that enables human progress around the world. In addition, the Board also meets with the Vice President and Chief Human Resources Officer biannually to discuss succession plans.

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corporate governance

Management routinely reviews the retention of its professional population, which includes executives, at levels of management, and the majority of our regular employee population, the annual voluntary attrition for this population was 2.9% in 2023, a decrease as compared to our five-year historical rates. The voluntary attrition rate generally excludes employee departures under enterprise-wide restructuring programs. We believe our low voluntary attrition rate is in part a result of the Company's commitment to employee development, its long-term employment model, competitive pay and benefits, and its culture.

diversity and inclusion

We believe human ingenuity has the power to solve difficult problems when diverse people, ideas and experiences come together in an inclusive environment.

In recognition of the diverse backgrounds of its global employee base, Chevron also believes inclusive leadership development enhances performance and innovation. To that end, the company offers numerous leadership development programs, such as the Global Women's Leadership Development Program and Transformational Leadership for Multicultural Women, which are designed to provide forums for discussion of potential headwinds, advance professional growth, and foster a more inclusive work environment. We have Employee networks (voluntary groups of employees and allies that come together based on shared identity or interests) and a Chairman's Inclusion Council, which provides the employee network presidents with a direct line of communication to the Chairman and Chief Executive Officer, the Chief Human Resources Officer, the Chief Diversity and Inclusion Officer, and the executive leadership team to collaborate and discuss how employee networks can reinforce the Company's values of diversity and inclusion. Across many of its selection processes, we also continue to use inclusion counselors, who are specially trained Company leaders who help challenge group think and unconscious biases and provide outside perspectives when hiring for a position. The company also strives to build an inclusive environment through innovative programs such as the Company's MASC (Men Advocating Real Change) program launched in 2021, in partnership with the nonprofit organization Catalyst, which is designed to facilitate discussions on gender equality in the workplace. MASC is active in over 35 Chevron locations on six continents around the world, with over 5,000 participants since inception. The success and impact of MASC led to the creation of Elevate in 2020, a program that seeks to take the inclusion dialogue beyond gender.

The Company also aims to support a diverse and inclusive supply chain that is reflective of the communities where we operate. We believe that a diverse supply chain contributes to our success and growth. The Company maintains long-standing partnerships with non-profit organizations, including the National Minority Supplier Development Council, Women's Business Enterprise National Council, National LGBT Chamber of Commerce and DisabilityIN, that have helped many diverse businesses grow.

employee engagement

Employee engagement is an indicator of employee well-being and commitment to the Company's values, purpose and strategies. We regularly conduct employee surveys to assess the health of the Company's culture. Our survey frequency enables us to understand employee sentiment throughout the year and gain insights into employee well-being. Our surveys indicate high levels of employee engagement.

We prioritize the health, safety and well-being of our employees. Our safety culture empowers every member of our workforce to exercise stop-work authority without repercussion to address any potential unsafe work conditions. We have set clear expectations for leaders to deliver operational excellence by demonstrating their commitment to prioritizing the safety and health of its workforce and the protection of communities, the environment, and the Company's assets.

Additionally, we offer long-standing employee support programs such as Omnia, an independent resource designed to equip employees with options to address and resolve workplace issues; a Company hotline, where employees can report concerns to the Corporate Compliance Department; and an Employee Assistance Program, a confidential consulting service that can help employees resolve a broad range of personal, family, and work-related concerns.

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Oversight of Risk

Initially, risk oversight disclosures were driven by SEC rules and focused on delegation of risk oversight among board committees. Companies described how the board, through its committees, administered its oversight function. With more regulatory scrutiny on risk factors in the Form 10-K and other key risk disclosures (such as HCM, cybersecurity and climate risk), there has been a trend to include more discussion of those topics in proxy statements. In addition, in 2022, the SEC issued comment letters to dozens of companies requesting detailed disclosure on their enterprise risk management process and a number of different topics to provide more context for how the board and its committees evaluate, and provide direct and independent oversight of, existing and significant emerging risks.

What to Think About

Investors view risk oversight as a key board responsibility and specifically want to know that a board has a comprehensive approach to not only identifying and managing risks, but also disclosing risks that may impact shareholder value.

Risk oversight disclosure should give investors a sense of the company's operational risk management practices (over the short-, medium- and long-term) and, as importantly, that the board has access to the information it needs to exercise proper oversight.

Content: A comprehensive, integrated and well-designed risk oversight disclosure includes the following:

- Division of risk topics among the full board and its committees
- Overview of **enterprise risk management (ERM)** processes, including i) how risks are identified, assessed and rise to the level of board oversight, ii) what executives are involved in reporting up, and iii) how frequently updates are given on the most significant topics
- Timeframes for evaluating risks, including how oversight i) differs depending on the immediacy of the risk and/or ii) evolves with changes in a company's strategy, business or risk profile
- How board leadership structure supports effective risk oversight

Labrador Transparency Award Criteria



- The distribution of risk oversight responsibilities among the Board, Board committees, and management is depicted in a matrix, table, graphic or using other visual elements.
- Within the risk oversight section, there is an overview of the enterprise risk management (ERM) process including timeframes for assessing risks (short, medium, long-term).
- The document includes a dedicated section, subsection or callout discussing the board's role in oversight of information security/cybersecurity/data privacy risks.



- Additional recommended disclosures identified in the **SEC comment letter** include:
 - Use of outside advisors and experts to help evaluate emerging and future risks, and how often the board re-assesses the risk environment
 - How the risk oversight process aligns with disclosure controls
 - Existence of chief compliance officer and to whom that person reports
 - Whether the lead independent director can require the board to override the CEO on any risk matter

Use of tables and graphics: Best practice disclosure uses tables and graphics in addition to narrative disclosure to provide an “at-a-glance” overview of risk oversight, including:

- List of key risks in bullet format in a table that divides up board and each committee to allow readers to quickly assess whether important topics are appropriately covered
- Graphic showing management-level ERM process

Sustainability-related risks: Stakeholders want companies to identify the risk areas overseen by the board and its committees.

- **Placement:** Many companies include a discussion of ESG oversight either within or immediately following the risk section and/or spotlight ESG subtopics in callout boxes or separate subsections. For additional guidance on Sustainability disclosures, see the Sustainability and HCM section of this guide.
- **Sustainability subtopics:** Most frequent subtopics are **cybersecurity/privacy, HCM/DEI, and public policy** engagement. Other subtopics include **safety, human rights, charitable giving, water, and biodiversity.**

Other mission-critical risks: Companies should also address any “mission critical” risks specific to their business. Potential topics include: **supply chain disruption, reputational risk, or tax or capital allocation strategies**

Alignment across reporting: Companies should review their Form 10-K risk factors since past SEC comment letters indicate that the SEC is looking for consistency between risk factors and board oversight disclosures.

A Note on Cybersecurity

Companies must now include disclosures in their Form 10-K related to their risk management processes for, and oversight of, material risks from cybersecurity threats, which have been historically been discussed - at varying levels of detail - in proxy statements and ESG reports.

So far, we have seen that companies continue to discuss cybersecurity oversight in their proxy statements, often with more fulsome disclosures tied to the specific rule requirements in their Form 10-Ks.

Time will tell if the final rule prompts a change in disclosure practice, i.e., whether it results in cybersecurity disclosure being included in the Form 10-K only. We anticipate, though, that companies will continue to include some cybersecurity oversight disclosures in their proxy statements, while including more fulsome

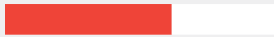
disclosures tied to the specific rule requirements in their Form 10-K. This is similar to how disclosures related to human capital management have evolved since human capital management became a required disclosure item in annual reports a few years ago.



Benchmarking

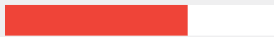
63%

The risk oversight section discusses the role of management



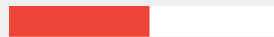
69%

The distribution of specific risk oversight responsibilities among the Board, Board committees, and management is depicted in a matrix, table, graphic or using other visual elements



53%

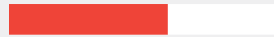
Within the risk oversight section, there is an overview of the enterprise risk management (ERM) process including timeframes for assessing risks (short, medium, long-term)



Other notable risk topics discussed in the document:

60%

Board's role in oversight of information security/cybersecurity/data privacy risks



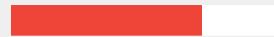
43%

Board's role in oversight of political spending



72%

Board's role in oversight of ESG



40%

Board's role in oversight of HCM





Key Examples

Honeywell 2024 Proxy Statement

5-page starting with comprehensive graphic showing board/committee oversight and ERM process, then discusses oversight of specific risks, including strategy, ESG, HCM, ethics, etc.

BOARD'S ROLE IN RISK OVERSIGHT

While senior management has primary responsibility for managing risk, the Board has responsibility for risk oversight with specific risk areas delegated to relevant Board committees who report on these deliberations to the Board. The specific risk areas for the Board and each of its committees are summarized below:

FULL BOARD

- Oversee the Company's risk governance framework, including an enterprise-wide risk that supports appropriate risk assessments and the identification, escalation, and appropriate management of risk.
- Integrity, ethics, and compliance with the Company's Code of Business Conduct.
- General strategic and commercial risks, such as new product brands, capital spend, new material price increases, foreign currency fluctuations, diversified customer demand, market and competitive dynamics, technology obsolescence, revenues, government spending, geopolitical dynamics, climate or economic growth, supply chain disruption, and inflation.
- Disruption, including supply chain disruption, disruptive technologies, emerging competition, and changing business models.
- M&A transactions, including strategic fit, executive, separation, and integration, and the M&A competitive landscape.
- Legal risks, such as those arising from litigation, environmental, and intellectual property matters.

STRATEGY OVERSIGHT

ADVISIT COMMITTEE

- Enterprise Risk Management (ERM) and Crisis Incident Management program.
- Operational, including risks associated with the Company's new products and facilities.
- Artificial intelligence.
- Accounting, ethics, and financial disclosures.
- Tax and equity management.
- Product liability and product safety.
- Vendor risk, including supply chain disruptions.
- Operational business continuity.

CORPORATE GOVERNANCE AND RESPONSIBILITY COMMITTEE (CGRC)

- Fiduciary responsibilities, including regulatory compliance, including data privacy, sanctions, export, and government contracts.
- Integrity and compliance programs and policies.
- Capital structure, including political, economic, currency, and market risks.
- ESG matters, including health, safety, environmental, climate, human resources, environmental justice, and sustainability.

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE (MDCC)

- Succession planning.
- Compensation plans, programs, and arrangements and other employment practices.
- Recruitment and retention of key talent.
- Labor relations.
- Inclusion and diversity.
- Workplace request and culture.
- Workplace violence.
- Employee engagement and wellness.

ENTERPRISE RISK MANAGEMENT REVIEW

ASSETS

- The Board uses the ERM program as a key tool for understanding the inherent risks facing Honeywell and assessing whether management's proposed risk mitigation strategies are appropriate. Significant risks are those risks that are most likely to affect the Company's ability to create value for its shareholders.
- The annual ERM assessment developed by management is based on an assessment of the "top tier" and "bottom tier" view of commercial, strategic, legal, compliance, human capital, cyber, and reputational risks facing Honeywell.
- In 2023, the ERM program included interviews with the Chairman and the CEO, and each member of the Board, and interviews with 100 global offices and risk experts, covering 78 risk areas across all business and financial.
- In 2024, ERM identified risks will show over 10% of the assets to be conducted under the internal audit function's oversight.

INCORPORATE

- Every three years, the ERM process includes one-on-one meetings with each director's "top tier" view of risks facing the Company.
- During the review, Honeywell's CFO and General Counsel present the results of the ERM assessment to a panel of directors to ensure that the recommendations for improving the ERM process align with the director's view of risks and the metrics for identifying key risks.
- To build on the one-on-one interviews with the individual Board members, the ERM process and management's associated mitigation activities become part of Board and other committees' ongoing oversight for the following year.

OVERSIGHT OF HUMAN CAPITAL AND CULTURE

provides oversight over human capital, with particular focus on culture, inclusion and diversity, talent development and so on. Honeywell has a reputation for "doing what we say." At the center of that commitment to excellence is a high-velocity, high-impact, high-velocity culture. The Board's oversight of strategy primarily occurs through the long-term strategic plan and annual operating plan of each of our businesses. During these reviews, management views the key commercial and strategic risks and opportunities faced by each business unit and that the Board can assess. It identifies the key risks and opportunities and is taking appropriate actions to mitigate risk. In addition to the review of each annual plan, specific areas of risk and opportunity are raised for further Board and/or committee discussion to ensure additional areas of risk that are most important to Honeywell's strategic direction.

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F ESG MATTERS

If commitment to corporate social responsibility, protection of the environment, and creation of sustainable opportunity for Honeywell's environmental, social, and governance (ESG) initiatives are aligned with the Company's long-term strategy, both and oversight extends to ESG initiatives in the following primary ways:

If identification for managing risks and opportunities associated with ESG as well as oversight of discrete ESG topics, such as remediation, integrity and ethics, and political engagement.

If of human capital management issues, including culture, diversity and inclusion, talent recruitment and retention, and employee and Board engagement with ESG risk areas through a robust and comprehensive ERM program.

ent on select ESG topics, such as inclusion and diversity, safety, business resilience, political engagement, environmental matters, and more.

wers. The Board values shareholders' perspectives on ESG matters, and the Company (hereinafter with our independent Lead and/or CGRC) Chief engages directly with shareholders throughout the year to discuss and receive feedback on our activities, as in those areas.

The full Board and Corporate Governance and Responsibility Committee oversee the Company's overall ESG performance and associated risks and opportunities.

CGRC	ADVISIT COMMITTEE	MDCC
<ul style="list-style-type: none"> Environmental Human and Safety Climate Human Resources Political Community Integrity and Compliance Product Safety and Quality Supply Chain Operational Environmental Justice 	<ul style="list-style-type: none"> Human Capital Financial Controls Corporate Governance Legal/Compliance Product Safety and Quality Supply Chain Operational Artificial Intelligence 	<ul style="list-style-type: none"> Human Capital Management Inclusion and Diversity Workplace Culture Workplace Safety Workplace Violence Employee Engagement and Wellness
<ul style="list-style-type: none"> ESG and Climate Chief Sustainability Officer and Chief Climate Officer Chief Safety Officer VP Chief HR VP Chief Government Relations VP Chief Compliance Officer Chief Legal Technology Officer 	<ul style="list-style-type: none"> ESG and Climate VP and General Counsel Chief Sustainability Officer and Chief Climate Officer Chief Safety Officer VP Chief HR VP Chief Government Relations Chief Compliance Officer Chief Legal Technology Officer 	<ul style="list-style-type: none"> VP and Chief Human Resources Officer Chief Inclusion and Diversity Officer

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OVERSIGHT OF HUMAN CAPITAL AND CULTURE

provides oversight over human capital, with particular focus on culture, inclusion and diversity, talent development and so on. Honeywell has a reputation for "doing what we say." At the center of that commitment to excellence is a high-velocity, high-impact, high-velocity culture. The Board's oversight of strategy primarily occurs through the long-term strategic plan and annual operating plan of each of our businesses. During these reviews, management views the key commercial and strategic risks and opportunities faced by each business unit and that the Board can assess. It identifies the key risks and opportunities and is taking appropriate actions to mitigate risk. In addition to the review of each annual plan, specific areas of risk and opportunity are raised for further Board and/or committee discussion to ensure additional areas of risk that are most important to Honeywell's strategic direction.

F STRATEGY

If responsibilities for overseeing management's establishment and execution of the Company's strategy and the associated risks, strategy and strategic risk through robust and constructive engagement with management, taking into consideration Honeywell's key IP, our business, regulatory developments, and disruption in our industries. The Board's oversight of strategy primarily occurs through the long-term strategic plan and annual operating plan of each of our businesses. During these reviews, management views the key commercial and strategic risks and opportunities faced by each business unit and that the Board can assess. It identifies the key risks and opportunities and is taking appropriate actions to mitigate risk. In addition to the review of each annual plan, specific areas of risk and opportunity are raised for further Board and/or committee discussion to ensure additional areas of risk that are most important to Honeywell's strategic direction.

F ESG MATTERS

If commitment to corporate social responsibility, protection of the environment, and creation of sustainable opportunity for Honeywell's environmental, social, and governance (ESG) initiatives are aligned with the Company's long-term strategy, both and oversight extends to ESG initiatives in the following primary ways:

If identification for managing risks and opportunities associated with ESG as well as oversight of discrete ESG topics, such as remediation, integrity and ethics, and political engagement.

If of human capital management issues, including culture, diversity and inclusion, talent recruitment and retention, and employee and Board engagement with ESG risk areas through a robust and comprehensive ERM program.

ent on select ESG topics, such as inclusion and diversity, safety, business resilience, political engagement, environmental matters, and more.

wers. The Board values shareholders' perspectives on ESG matters, and the Company (hereinafter with our independent Lead and/or CGRC) Chief engages directly with shareholders throughout the year to discuss and receive feedback on our activities, as in those areas.

The full Board and Corporate Governance and Responsibility Committee oversee the Company's overall ESG performance and associated risks and opportunities.

CGRC	ADVISIT COMMITTEE	MDCC
<ul style="list-style-type: none"> Environmental Human and Safety Climate Human Resources Political Community Integrity and Compliance Product Safety and Quality Supply Chain Operational Environmental Justice 	<ul style="list-style-type: none"> Human Capital Financial Controls Corporate Governance Legal/Compliance Product Safety and Quality Supply Chain Operational Artificial Intelligence 	<ul style="list-style-type: none"> Human Capital Management Inclusion and Diversity Workplace Culture Workplace Safety Workplace Violence Employee Engagement and Wellness
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Key Examples

Intel 2024 Proxy Statement



4-page on risk oversight, starting with graphic-heavy two pages on ERM oversight (including how to define risk), followed by detailed disclosure on key risks, including CSR, cyber, ethics and political activity; CSR section lists experience of individual directors

Enterprise Risk Management Oversight

An important function of the Board is oversight of enterprise risk management at Intel. Risk is inherent in business, and the Board's oversight, assessment, and decisions regarding risks occur in the context of and in conjunction with the other activities of the Board and its committees.

Defining Risk

The Board and management consider "risk" to be the possibility that an undesired event could occur that might adversely affect the achievement of our objectives. Risks vary in many ways, including the ability of the company to anticipate and understand the risk, the types of adverse impacts that could result if the undesired event occurs, the likelihood that an undesired event and a particular adverse impact would occur, and the ability of the company to control the risk and the potential adverse impacts. Examples of the types of risks Intel could potentially face include:

- macro-economic risks, such as inflation, deflation, reductions in economic growth, or recession;
- geopolitical risks;
- event risks, such as natural disasters, public health crises, or cybersecurity incidents; and
- business-specific risks related to strategy and competition, product demand, global operations, products and manufacturing, cybersecurity and privacy, intellectual property protection and theft, litigation and regulatory compliance, corporate responsibility and sustainability (including climate risk), human capital risks, and corporate governance risks.

Not all risks can be dealt with in the same way. Some risks may be readily perceived and controllable, while other risks are unknown; some risks can be avoided or mitigated by particular behavior, and some risks are unavoidable as a practical matter. In some cases, a decision may be made that a higher degree of risk may be acceptable because of a greater perceived potential for reward. Intel seeks to align its voluntary risk-taking with company strategy, and Intel understands that its projects and processes may enhance the company's business interests by encouraging innovation and appropriate levels of risk-taking.

Risk Oversight Framework

Purpose	Approach	Results
Monitor risks to Intel's strategic objectives over a three-year time horizon	Annual process consists of interviews of executive teams led by our CFO's office to identify top risks and mitigation efforts	Report annually and as needed to the Board and its committees
Implement key mitigation plans for identified risks	Results are discussed with executive team, reviewed by Audit Committee, then reported by the CFO's office to the Board annually in the Spring	Develop mitigation plans for high-risk items
Identify the top 10-15 risks annually, from a universe of 150 risks, and develop mitigation plans as appropriate for newly identified risks	Mid-year review of the status of previously identified risks and mitigation plans, reported to the Audit Committee	Incorporate high-risk profiles into annual audit plan
	Throughout the year, detailed Board and committee presentations are provided on risks and mitigation plans typically every quarter, and relevant risks are assessed by the management team and relevant risk owners and discussed with the Disclosure Committee and the Audit Committee.	Disclose high-risk profiles as Risk Factors reported in the company's Annual Report on Form 10-K

Intel considers four main categories as sources of potential risks:

Strategic Risk	Operational Risk	Financial Risk	Compliance & Regulatory Risk
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Risk Assessment Responsibilities and Processes

The full Board has primary responsibility for enterprise risk management oversight. The Board executes its oversight duties through:

- Assigning specific oversight duties to the Board committees based on their areas of expertise and charter defined roles and responsibilities
- Periodic briefing and informational sessions by management on:
 - The types of risks the company faces
 - Enterprise risk management, including risk-identification, mitigation, and control

For most enterprise risk management issues, the Board receives regular and detailed reports from management or the appropriate Board committee regarding its review of the issues. In some cases, such as for risks regarding new technologies and product acceptance, risk oversight is addressed as part of the full Board's regular oversight of strategic planning. The Board and its committees also assess whether management has an appropriate risk management framework to manage risks and whether that framework is operating effectively.

Audit Committee

- Oversees issues related to accounting and financial statements; internal control and audit functions; major financial, product security, and cybersecurity risk exposures; and management's annual enterprise risk management assessment
- Oversees issues related to financial risk management, including the assessment of significant financial risks and contingent liabilities pertaining to financial markets and the company's financial strategies

Compensation Committee

- Oversees management of risks related to the company's compensation programs, including our conclusion that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company, and risks related to human capital management

Governance Committee

- Oversees issues related to risks arising from the company's environment, social, and governance practices as well as corporate responsibility and sustainability initiatives and performance

Management

Management is primarily responsible for:

- Identifying risk and risk mitigating controls related to significant business activities,
- Mapping the risks to company strategy, and
- Developing programs and recommendations to determine the sufficiency of risk identification, the balance of potential risk to potential reward, and the appropriate manner in which to manage risk.

With respect to the risk assessment of the company's compensation programs, management is primarily responsible for:

- Reviewing all significant compensation programs, focusing on programs with variable payouts, and
- Assessing the company's executive and broad-based compensation and benefits programs to determine whether the programs' provisions and operation create undesired or unintentional material risk. The risk assessment process:
 - includes a review of compensation program policies and practices, risk identification and control procedures, the balance of risk to reward, and the significance and risks posed by compensation programs on the company's overall strategy, and
 - takes into account compensation terms and practices that aid in controlling risk, including the compensation mix, payment periods, clawback provisions, and stock ownership guidelines.

Corporate Social Responsibility Oversight

Corporate social responsibility (CSR) matters play an important role at Intel, and the Board is actively involved in overseeing our CSR initiatives. A number of directors have expertise on key corporate social responsibility issues, including:

- Ms. Novick has extensive experience with human capital management as a co-founder and manager of various departments at BlackRock, in addition to heading BlackRock's Investment Stewardship team and working closely with BlackRock's Sustainable Investing team on various environmental, social, and governance issues;
- Mr. G. Smith oversees Boeing's strengthened focus on sustainability;
- Mr. Westler championed diversity, inclusion, and corporate responsibility while leading HP;
- Dr. Lavizzo-Moore has focused on companies' promoting social good in public health through her work at the Robert Wood Johnson Foundation; and
- Dr. Goldsmith has actively promoted diversity and inclusion in electrical engineering.

Management provides formal updates to the Governance Committee at least twice each year, and at least annually to the full Board on the company's corporate social responsibility performance and related disclosures. In 2023, this included a review of the 2022-2023 Corporate Responsibility Report and updates on issues including environmental sustainability, climate risk and transition action plan, human capital, human rights, political accountability, and investor outreach and feedback.

The Board has delegated its oversight of our CSR initiatives to its committees as follows:

- Governance Committee - has the primary responsibility for oversight of Intel's CSR matters, with additional roles also reviewed by other committees;
- Compensation Committee - has the responsibility for oversight of human capital matters, and
- Audit Committee - has the responsibility for oversight of our ethics and compliance program.

Cybersecurity Oversight

Our Board has ultimate cybersecurity risk oversight, which it manages as part of our enterprise risk management program. That program is utilized in making decisions with respect to company priorities, resource allocations, and oversight structures. The Board is assisted by the Audit Committee, which regularly reviews our cybersecurity program with management and reports to the Board. Cybersecurity reviews by the Audit Committee on the Board generally occur at least twice annually, or more frequently as determined to be necessary or advisable. A number of Intel directors have experience in assessing and managing cybersecurity risk.

We aim to incorporate industry best practices throughout our cybersecurity program. Our cybersecurity strategy focuses on implementing effective and efficient controls, and other processes to assess, identify, and manage material cybersecurity risks. Our cybersecurity program is designed to be aligned with applicable industry standards and is assessed annually by independent third-party auditors. We have processes in place to assess, identify, manage, and address material cybersecurity threats and incidents. These include, among other things: annual and ongoing security awareness training for employees; mechanisms to detect and monitor unusual network activity and containment and incident response tools. We actively engage with industry groups for benchmarking and awareness of best practices. We monitor issues that are internally discovered or externally reported that may affect our products, and have processes to assess those issues for potential cybersecurity impact or risk. We also have a process in place to manage cybersecurity risks associated with third-party service providers. We impose security requirements upon our suppliers, including: maintaining an effective security management program; abiding by information handling and asset management requirements; and notifying us in the event of any known or suspected cyber incident.

Our cybersecurity program is run by our Chief Information Security Officer (CISO), who reports to our Executive Vice President and Chief Technology Officer (CTO). Our CISO is informed about and monitors prevention, detection, mitigation, and remediation efforts through regular communication and reporting from professionals in the information security team, many of whom hold cybersecurity certifications such as a Certified Information Systems Security Professional or Certified Information Security Manager, and through the use of technological tools and software and results from third-party audits. For information with respect to the extensive experience of our CISO and CTO, see our Annual Report on Form 10-K. Our CISO and CTO regularly report directly to the Audit Committee or the Board on our cybersecurity program and efforts to prevent, detect, mitigate, and remediate issues. In addition, we have an escalation process in place to inform senior management and the Board of material issues.

Ethics, Legal and Regulatory Compliance Oversight

Intel's ethics and legal compliance program sets standards for conducting business in accordance with our ethical principles, provides values based guidance, heightens compliance risk awareness, strengthens decision-making, and helps drive sound performance. Our CEO communicates with our employees about the importance of ethics and legal compliance, including reminders of our strong commitment to act with integrity. This "tone from the top" - reiterated by our senior leadership and proliferated in our mandatory annual ethics and compliance training, regular communications throughout the year, company-wide ethics culture surveys, awareness trainings, annual ethics and compliance summits, and educational resources - helps to create and maintain an ethical and legally compliant culture. Through the Audit Committee, the Board receives quarterly reports of statistics related to misconduct, as well as periodic details about key investigations, from our Chief Compliance Officer.

Intel's legal and regulatory environment is complex and affects every part of its business. The semiconductor industry is one of the most important sectors in the global economy. It has been a major source of technological innovation, economic growth, and job creation for many countries, and is consequently subject to many laws and regulations of local, national, and international governments and bodies. Laws and regulations impact nearly all aspects of our business, such as where our products can be sold, our intellectual property rights, our manufacturing processes, and government incentives. As a result, the Board and its committees spend significant time overseeing the company's legal and regulatory compliance.

Code of Conduct

Our Code of Conduct applies to our non-employee directors with respect to their Intel-related activities, as well as to our officers, including our principal executive, principal financial, and principal accounting officers, or persons performing similar functions, and all other employees. We expect our directors, executives, and other employees to not engage in activities that compete with or are adverse to Intel, or that interfere with the proper performance of their duties or responsibilities to Intel, and to not use confidential company information, company assets, or their position at Intel for personal gain in violation of our policy. This includes avoiding any activity that is or has the appearance of being in conflict with Intel's interests.

Directors and executive officers must inform us of any situation that may be perceived as a conflict of interest with Intel. The Board oversees the resolution of any conflict or apparent or potential conflict involving a director or executive officer, and may enlist the Legal, Trade and Government Affairs Department to determine whether a conflict exists, and if so, how to resolve it. Any waivers of these conflict rules with regard to a director or an executive officer require the prior approval of the Board. Our Code of Conduct is our code of ethics document. Our Code of Conduct is posted on our website at www.intel.com. We will disclose future substantive amendments to or waivers of the Code of Conduct granted to directors and executive officers on our website within four business days following the date of such amendment or waiver.

A number of Intel directors have legal and regulatory compliance risks experience, including:

- Dr. Goldsmith, who sits on the US President's Council of Advisors on Science and Technology;
- Dr. Ishak, who as Medtronic's CEO oversaw the company's compliance with and rigorous enforcement of complex US and international regulations associated with medical devices;
- Dr. Lavizzo-Moore, who has extensive public and private sector, regulatory experience in the medical technology, life sciences, healthcare and pharmaceutical industries; and
- Mr. G. Smith, who as Boeing's CFO navigated the complex aerospace legal and regulatory environment.

Government Affairs and Lobbying

Intel works with governments, organizations, and industries around the world to advocate for policies that encourage new ideas, promote fair commerce, and protect resources. We also work to educate political candidates about the implications of public policy decisions for our business, and in the United States provide financial support to candidates who, on balance, hold positions generally consistent with our business objectives. We include information about our priorities and positions on key issues on our Public Policy website, including Intel's Political Accountability Guidelines, which outline our approach to making political contributions, including senior management and Board-level review processes and our goal of transparency. Intel's Global Public Affairs and Global Government Affairs teams provide the Governance Committee with an annual report.



Key Examples

PepsiCo 2024 Proxy Statement

3-page disclosure addresses requests from SEC comment letter, including risk committees at the management level; use of outside advisors; cross-reference to how board leadership structure supports effective risk oversight; and table highlighting oversight of six key risks

Corporate Governance at PepsiCo

The Board's Oversight of Risk Management

The Board recognizes that the achievement of our strategic and operating objectives involves risks, many of which evolve over time. The Board has oversight responsibility for PepsiCo's integrated risk management framework, which is designed to identify, assess, prioritize, address, manage, monitor and communicate these risks across the Company's operations, and foster a corporate culture of integrity and risk awareness. Consistent with this approach, one of the Board's primary responsibilities is overseeing and interacting with senior management with respect to key aspects of the Company's business, including risk assessment and risk mitigation of the Company's top risks.

The Board receives and provides feedback on regular updates from management regarding the Company's top risks, including updates from members of management responsible for overseeing impacted areas, governance processes associated with managing these risks, the status of projects to strengthen the Company's risk mitigation efforts and recent incidents impacting the industry and threat landscape. In evaluating top risks, the Board and management consider short-, medium-, and long-term potential impacts on the Company's business, financial condition, and results of operations, including looking at the internal and external environment when evaluating risks, risk amplifiers and emerging trends, and considers the risk horizon as part of prioritizing the Company's risk mitigation efforts. The Board receives updates through presentations, memos and other written materials, teleconferences, and other appropriate means of communication, with numerous opportunities for discussion and feedback, and continuously evaluates its approach in addressing top risks as circumstances evolve. PepsiCo's risk oversight processes and disclosure controls and procedures are designed to appropriately escalate key risks to the Board as well as to analyze potential risks for disclosure.

The Board also receives periodic updates from external experts and advisors on global macroeconomic trends and conditions that may impact the Company's strategy and financial performance, including geopolitical conflicts, economic instability, labor market trends, changing consumer behavior, retail disruption, and digitalization.

RISK MANAGEMENT FRAMEWORK

BOARD OVERSIGHT	
<p>Board of Directors</p> <p>The Board has oversight responsibility for PepsiCo's integrated risk management framework. Throughout the year, the Board and the relevant Committees receive updates from management with respect to various enterprise risk management issues and dedicate a portion of their meetings to reviewing and discussing specific risk topics in greater detail, including risks related to cybersecurity, food safety, sustainability, human capital management, including diversity, equity and inclusion, and supply chain and commodity inflation.</p> <p>The Board has tasked designated Committees of the Board with oversight of certain categories of risk management, and the Committees report to the Board regularly on these matters.</p> <p>Audit Committee</p> <p>Reviews and assesses the guidelines and policies governing the Company's risk management and oversight processes, and assists with the Board's oversight of financial, compliance and employee safety risks facing the Company.</p> <p>The Audit Committee also assists the Board's oversight of the Company's compliance with legal and regulatory requirements, and the General Counsel and the Chief Compliance & Ethics Officer, who reports to the General Counsel, each meets regularly with the Audit Committee, including in executive session without management present.</p> <p>Compensation Committee</p> <p>Reviews the Company's employee compensation policies and practices to assess whether such policies and practices could lead to unnecessary risk-taking behavior.</p>	<p>Nominating and Corporate Governance Committee</p> <p>Assists the Board in its oversight of the Company's governance structure and other corporate governance matters, including succession planning.</p> <p>Sustainability, Diversity and Public Policy Committee</p> <p>Assists the Board in its oversight of the Company's policies, programs and related risks that concern key sustainability, diversity, equity and inclusion and public policy matters, including climate change.</p>

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Corporate Governance at PepsiCo

Sources of Risk Identification & Mitigation

PepsiCo Risk Committee (PRC)

- Composed of cross-functional, geographically diverse, senior management group, including PepsiCo's Chairman of the Board of Directors and Chief Executive Officer, Chief Financial Officer, General Counsel, Sector Chief Executive Officers and the heads of Corporate Affairs, Human Resources, Research & Development, Information Technology, Sustainability, Strategy, Transformation, International Beverages, Commercial, Global Operations, Marketing, and Financial Planning & Analysis.
- Meets regularly to identify, assess, prioritize and address top strategic, financial, operating, compliance, safety, reputational, and other risks
- Responsible for reporting progress on risk mitigation efforts to the Board

Division/Key Country Risk Committees

- Comprised of cross-functional senior management teams
- Meet regularly to identify, assess, prioritize and address division and country-specific business risks

Risk Management Office (RMO)

- Manages the overall risk management process
- Provides ongoing guidance, tools and analytical support to the PRC and division and key country risk committees
- Identifies and assesses potential risks and facilitates ongoing communication between the parties, as well as the Board and Committees of the Board

Internal Audit Department

- Evaluates the ongoing effectiveness of key internal controls through periodic audit and review procedures

Law and Compliance & Ethics

- Lead and coordinate compliance policies and practices

Disclosure Committee

- Comprised of the General Counsel, Controller and heads of Internal Audit, Financial Planning & Analysis and Investor Relations
- Evaluates information from PepsiCo's integrated risk management framework as part of the Disclosure Committee's monitoring of the integrity and effectiveness of the Company's disclosure controls and procedures

OVERSIGHT OF CERTAIN KEY RISKS

<p>Oversight of Food Safety Risks</p>	<p>Due to the critical nature of food safety to our business, the full Board oversees and regularly interacts with senior management, including the Company's Chief Science Officer, on food safety matters, such as evolving regulations, changes to the Company's product portfolio and supply chain infrastructure, key food safety risk areas and mitigation strategies. The Board is also appropriately advised of any notable food safety incidents.</p>
<p>Oversight of Supply Chain and Commodity Inflation Risks</p>	<p>During 2023, the Board received information from, and actively engaged with, management on the impact of external factors on our transportation, labor and commodity availability and costs as well as our manufacturing operations and supply chain, including geopolitical events, the inflationary cost environment, supply chain disruptions (including raw material shortages) and labor shortages, and the Company's efforts to mitigate the potential impact of such factors.</p>
<p>Oversight of Cybersecurity Related Risks</p>	<p>Given that cybersecurity risks can impact various areas of responsibility of the Committees of the Board, the Board believes it is useful and effective for the full Board to maintain direct oversight over cybersecurity matters. The Board receives and provides feedback on regular updates from management, including from the Company's Chief Strategy and Transformation Officer and the Company's Chief Information Security Officer, regarding cybersecurity governance processes, the status of projects to strengthen internal cybersecurity, results from third party assessments and also discusses any significant cyber incidents, including recent incidents throughout the industry and the emerging threat landscape.</p>

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Corporate Governance at PepsiCo

<p>Oversight of Climate Change Related Risks</p>	<p>The Sustainability, Diversity and Public Policy Committee assists the Board in overseeing the management of long-term risks posed by climate change, including specific actions performed in order to protect the Company from the negative effects of climate change. In addition, the Committee reviews PepsiCo's sustainability programs and goals related to reducing our climate impact in our operations throughout our value chain and monitors our progress toward achieving such goals.</p>
<p>Oversight of Human Capital Management Related Risks</p>	<p>The Board is actively engaged in overseeing senior management development and succession as well as key human capital management strategies and potential related risks. The Compensation Committee oversees the design of all material employee benefit plans and programs, the Nominating and Corporate Governance Committee oversees CEO and director succession plans, and the Sustainability, Diversity and Public Policy Committee oversees initiatives and progress related to diversity, equity and inclusion. Each of the Committees provide reports and feedback to the full Board for its collective review and discussion. For more information, please see "The Board's Role in Human Capital Management and Talent Development" beginning on page 36 of this Proxy Statement.</p>
<p>Oversight of Human Rights Related Risks</p>	<p>The Sustainability, Diversity and Public Policy Committee assists the Board in overseeing PepsiCo's policies, practices and related risks that concern human rights matters. The Committee receives and provides feedback on regular updates from management, including the Company's General Counsel and Chief Human Rights Officer, regarding emerging business and human rights trends, the Company's human rights due diligence programs, and actions that have been taken to advance our vision for human rights at PepsiCo and across our broader value chain. In addition, the Board reviews and approves PepsiCo's annual statement detailing the actions we have taken to prevent modern slavery and human trafficking in our business and supply chain.</p>

At its February 2024 meeting, the Compensation Committee reviewed the results of the 2023 annual compensation risk assessment and concluded that the risks arising from the Company's overall compensation programs are not reasonably likely to have a material adverse effect on the Company.

The Company believes that the Board's leadership structure, discussed in detail under "Board Leadership Structure" on pages 25-27 of this Proxy Statement, supports the risk oversight function of the Board, with the Chairman and CEO uniquely positioned to identify emerging risks while the independent Presiding Director and Chairs of the Board's four Committees provide independent oversight of the Company's risk management programs.

The Board's Role in Human Capital Management and Talent Development

The Board believes that human capital management and talent development are vital to PepsiCo's continued success. They are integral elements of our strategic framework and we strive to create a diverse and inclusive workplace with meaningful opportunities that will attract and retain the best and brightest in a competitive talent landscape.

Our Board's involvement in leadership development and succession planning is systematic and ongoing, and the Board provides input on important decisions in each of these areas. The Board has primary responsibility for succession planning for the CEO and oversight of other executive officer positions. The Nominating and Corporate Governance Committee oversees the development of the process and protocols regarding succession plans for the CEO, and annually reviews these protocols. To assist the Board, the CEO annually provides the Board with an assessment of senior managers and their potential to succeed to the position of CEO, developed in consultation with the Presiding Director and the Chair of the Nominating and Corporate Governance Committee. The Board meets regularly with high-potential executives, both in small group and one-on-one settings. The Board has overseen appointments of current direct reports of the CEO, who include seven executives globally who are racially/ethnically diverse and/or female, demonstrating our focus on building a highly skilled and diverse executive team that brings a broad array of opinions and perspectives that are reflective of our global businesses. This includes the appointment of Becky Schmitt as the new Chief Human Resources Officer of PepsiCo in 2023, to lead the global Human Resources organization, including all aspects of people management and advancing our efforts to attract world-class talent and future-proof our workforce.

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Key Examples

Boeing Company 2024 Proxy Statement

3-page section that balances graphic and narrative disclosure, with a simple graphic that shows a comprehensive, at-a-glance depiction of integrated risk management from the board and its committees down to employee training

Table of Contents

CORPORATE GOVERNANCE

The Board and the Aerospace Safety Committee is actively engaged in overseeing the Company's actions following the January 8, 2024 Alaska Airlines Flight 1282 accident through regular updates calls and communications, special meetings of the Board and the Aerospace Safety Committee, and multiple internal meetings, inspections and engagements, including at the 737 factory. See "Building Trust Through Action and Transparency" on page 1 for more information.

Risk Oversight

With over 100 years at the forefront of innovation, Boeing takes measured risks each day and has established processes to identify, assess, mitigate and manage these risks. It is the responsibility of the Board and senior management to ensure that we avoid/impairment risks and mitigate the many strategic, technological, operational and compliance risks we face, all with our core values of safety, integrity and sustainability at the forefront. Senior management is responsible for day-to-day management of risk, including the creation of appropriate risk management policies and procedures, and implementing effective risk management controls. The Board is responsible for overseeing management in the execution of its risk management responsibilities and for assessing the Company's approach to risk management.

The Board has delegated to the Audit Committee primary responsibility for oversight of the Company's policies, practices and guidelines with respect to risk assessment and risk management, including assessing key strategic, operational and compliance risks. Our enterprise risk management (ERM) process considers key strategic risks, such as those relating to product safety, geopolitics, airline health, reputation, long-term competitiveness, talent and sustainability, and key operational risks, such as those relating to development program execution, supply chain, production system health and quality, cybersecurity, equity, efficient legal items and business continuity, as well as mitigation efforts. Our compliance risk management (CRM) process evaluates the Company's current and emerging compliance risks, such as those relating to design and certification, production and quality, cybersecurity, industrial security, financial accounting and procurement integrity. All business units and functions participate in both the ERM and CRM on an annual basis to assess and prioritize the most critical risks facing the Company, evaluate the effectiveness of mitigation strategies and controls and identify important emerging risks. Both our ERM and CRM processes are continually evolving in the selection and response to risks, including through increased reliance on data. The results of the ERM and CRM processes are reviewed with both the Audit Committee and the full Board at least annually.

Our Safety Management System (SMS) is an integrating framework for managing safety risks throughout the life cycle of a product or service by identifying hazards, mitigating product safety risks, continuously improving safety performance and other activities designed to promote and sustain a positive safety culture and shape policies that uphold our commitment to aerospace safety. The SMS infrastructure is comprised of four components designed to create a disciplined environment to manage safety risks and promote a positive safety culture: Safety Policy and Objectives, Safety Risk Management, Safety Assurance and Safety Promotion. Our SMS is continually evolving and improving. Our SMS includes a risk elevation process pursuant to which our business unit presidents regularly review safety risks, the associated risk mitigation and corrective action plans, and the relevant safety metrics to determine if additional resources require mitigation activities are necessary. Our business unit presidents determine those risks that will be briefed to our Chief Executive Officer during his SMS reviews, which occur at least biweekly. The Aerospace Safety Committee reviews SMS performance and the SMS Risk Register at every meeting. For more information on our SMS, see "Aerospace Safety and Quality" on page 4.

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CORPORATE GOVERNANCE

We take an integrated approach to risk management across the Company with coordination among our ERM process, CRM process and our SMS Risk Register.

The full Board is briefed at least annually on the ERM and CRM processes and assessments and throughout the year on specific risks facing the Company, including those relating to the SMS Risk Register.

The Audit Committee is briefed at least annually on the ERM and CRM processes and assessments.

The Aerospace Safety Committee is briefed at every meeting on the SMS Risk Register.

Annual Employee Training and Ethics Recommendation

- On an annual basis, all employees are required to complete:
 - training on compliance risk areas related to their specific duties and responsibilities
 - product safety training that highlights the importance of speaking up about any potential product or service-related safety concerns
 - an ethics recommendation and testing the features web-to-compliance tool and consequences and highlights how differences to our values and doing business will impact work life in Boeing's factories

The Board has also delegated to each of the six committees certain categories of risk associated with each committee's respective area of responsibility. A non-exhaustive list of these categories of risk are summarized below. The chair of each committee provides a summary of the matters discussed with the committee to the full Board following each committee meeting, and the minutes of each committee meeting are also provided to the full Board. In addition, the Board participates in regular briefings with management on a variety of topics, including strategy, operations, succession planning, development programs, legal and regulatory matters, cybersecurity, digital transformation and critical intelligence, diversity, equity and inclusion, and sustainability, in which risk oversight is an inherent element.

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CORPORATE GOVERNANCE

We take an integrated approach to risk management across the Company with coordination among our ERM process, CRM process and our SMS Risk Register.

Aerospace Safety Committee <ul style="list-style-type: none"> Safety of products and services Completion of products and services Open safety of products Technical compliance and product safety considerations with respect to product development programs Engineering processes 	Audit Committee <ul style="list-style-type: none"> Risk management practices Financial statements Financial reporting processes, controls and disclosures Accounting Compliance program and compliance with legal and regulatory requirements Cybersecurity risk information Internal controls Ethics and business conduct programs Whistle-blow 	Compensation Committee <ul style="list-style-type: none"> Executive compensation design, plans, and programs Executive compensation oversight Retention of senior management <p>See "Compensation and Risk" on page 20 for more information on the oversight of these risks.</p>
Finance Committee <ul style="list-style-type: none"> Capital structure Significant financial exposures Cost development strategy Strategic share and transactions, including mergers, acquisitions, divestitures and product portfolio Major insurance programs Energy matters Customer finance portfolio and commitments Derivative security relationships, investments and administration 	GP Committee <ul style="list-style-type: none"> Corporate governance matters Business development process Board structure, investment and composition Public policy and corporate sustainability practices, including climate, social and environmental stewardship, climate change, diversity, equity and inclusion and strategic programs Political advocacy activities and memoranda Aerospace industry compliance program 	Special Programs Committee <ul style="list-style-type: none"> Strategy, operational and financial aspects of classified business activities Human capital management policies and practices relating to classified business activities Internal controls relating to classified business activities

Sustainability Governance

Boeing's commitment to sustainability is rooted in our corporate values, our strategy and our stakeholders' expectations, and encompasses our focus on environmental stewardship, social progress and inclusion as well as values-based, transparent governance. The GPP Committee oversees and regularly engages with management on a variety of sustainability topics, policies and practices, including matters related to environmental stewardship and climate change. The Board also maintains oversight of our efforts on equity, diversity and inclusion, including regular reviews of workforce diversity metrics, regular reviews of complaints received and corrective actions taken related to behavior that is inconsistent with our values.

We have a dedicated Global Enterprise Sustainability organization, led by our Chief Sustainability Officer, reporting directly to the CEO. Our Chief Sustainability Officer leads our Global Sustainability Council, which is composed of global leaders from across business units and functions to advance sustainability objectives and strategy.

More information that may be of interest to a variety of stakeholders about Boeing's sustainability approach, priorities and progress, including our 2030 goals to advance sustainable aerospace is aligned with our key sustainability priorities and stakeholder interests, and our actions and progress in 2023 can be found in our annual Sustainability Report at www.boeing.com/sustainability. More information about our diversity actions and progress is in our 2023 Global Equity, Diversity & Inclusion Report at www.boeing.com/sustainability/diversity-and-inclusion.

Political Advocacy Governance

The Board exercises oversight with respect to Boeing's political advocacy activities, as dictated by our policies and procedures. Our Executive Vice President of Government Operations leads the GPP Committee on our public policy advocacy activities at least twice per year. These reviews typically include our work to further policy priorities in the legislative and executive branches, participation in the principal trade associations and think tanks to which Boeing contributes, and the Boeing Political Action Committee's budget and political contributions, as well as the compliance activities associated with each of those efforts. With respect to the principal trade associations, the GPP Committee reviews Boeing's position of influence within each group, and whether each group's activities align with our business interests and values. Furthermore, the Audit Committee regularly receives updates from our Compliance Risk Management board on the effectiveness of our policies and procedures governing the Company's political advocacy activities. Annually, the full Board reviews our political advocacy engagements to assess the consistency between our political

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Key Examples

Target 2024 Proxy Statement

1+page section that balances graphic and narrative disclosure of board/committee oversight and the role of management; separate discussions of succession planning, sustainability and cyber/privacy oversight [note: used to have more detailed disclosure on cyber/privacy but now streamlined with cross-reference to Form 10-K]

General information about corporate governance and the Board

Risk oversight

Oversight of the various risks we face in implementing our strategy is an integral and continuous part of the Board's oversight of our business. The Board, each Committee, and management have specific roles and responsibilities with respect to those risks.

The Board and its Committees

The Board provides oversight of overall risks and seeks to ensure that our Leadership Team has processes in place to appropriately manage risk. Strategic risks are emphasized within that overall risk oversight responsibility because they are an integral and ongoing part of the Board's oversight of our business. For example, our principal strategic risks are reviewed as part of the Board's regular discussion and consideration of our strategy. Similarly, at every meeting the Board reviews the principal factors influencing our operating results, including the competitive environment, and discusses with our Leadership Team the major events, activities, and challenges affecting Target.

The Audit & Risk Committee oversees our enterprise risk management program and periodically reviews our approach to risk identification, assessment, and mitigation strategies with the Board to facilitate coordination with the activities of the Board and other Committees. The Chief Corporate Affairs Officer and senior members of the enterprise risk management team provide the

Audit & Risk Committee with regular updates on the enterprise risk management program and the status of key risks facing the business. The Audit & Risk Committee also regularly receives updates on key risk areas from other members of our Leadership Team and certain members of their teams with primary responsibility for managing those risk areas, and regularly reviews legal and regulatory risk, compliance, and ethics matters.

Under our existing Board leadership structure, the Lead Independent Director plays an important role in supporting the Board's oversight of risks by approving meeting schedules, agendas, and the information furnished to the Board. The Committee Chairs do the same for their respective Committees. The general risk oversight functions among the Board and its Committees are provided below. For more detail on the specific oversight and responsibilities of each Committee, see pages 12 - 14.

Board of Directors⁽¹⁾

- Business strategy
- CEO succession
- Enterprise risk management and response
- Organizational team health
- Reputation management
- Sustainability⁽²⁾
- Top enterprise risks

Audit & Risk Committee

- Accounting and financial reporting
- Compliance and ethics
- Enterprise risk management program
- Principal business and operational risks
- Supply chain corporate responsibility matters

Compensation & Human Capital Management Committee

- Executive compensation program
- Management development and succession
- Workforce human capital management

Governance & Sustainability Committee

- Board succession
- Governance structure and practices
- Sustainability goals and metrics
- Public policy advocacy and political activities

Infrastructure & Finance Committee

- Capital expenditures
- Financial matters
- Infrastructure needs
- Major corporate collaborations

⁽¹⁾ As part of its overall oversight role, the Board addresses certain aspects of matters that are primarily overseen by its Committees.

⁽²⁾ The Board reviews sustainability risks through its evaluation of business strategy risks and as part of its consideration of top enterprise risks.

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General information about corporate governance and the Board

Management

The primary responsibility for the identification, assessment, and management of the various risks that we face belongs with our Leadership Team and certain members of its teams.

Our Chief Corporate Affairs Officer provides centralized oversight of Target's enterprise risk management program. Our Chief & CEO and his direct reports meet regularly with the Chief Corporate Affairs Officer and the enterprise risk management team to identify, assess, and manage risks facing the business. In addition, the Chief Corporate Affairs Officer and members of our enterprise risk management team regularly meet with leaders of business areas to inform, coordinate, and manage the enterprise risk management program. Furthermore, our Chief Legal & Compliance Officer and members of his team provide regular updates to the Chief Corporate Affairs Officer and the enterprise risk management team on legal and regulatory risk, compliance, and ethics matters.

Our risk management capabilities are critical to increasing the likelihood of desired business outcomes. The different risk-related roles and responsibilities, which are aligned and coordinated using a common framework, are fulfilled by different business functions as follows:

- Business teams.** Define business objectives and desired outcomes. Execute, oversee, and monitor day-to-day business activities and risks, leveraging risk and compliance tools and support as appropriate.
- Risk and compliance teams.** Partner with business teams to identify, assess, prioritize, treat, and monitor top enterprise risks. Develop, help implement, monitor, and evaluate processes, as appropriate, to enable business teams' oversight and day-to-day risk management.
- Internal audit.** Directly overseen by the Audit & Risk Committee. Provides independent assurance and risk insights to instill confidence in and evaluate whether Target's programs and processes will sustainably achieve intended outcomes.

Management development and succession planning

One of the primary responsibilities of the Board is to ensure that Target has a high-performing Leadership Team. To meet that goal, the Board, the Compensation & Human Capital Management Committee, and management share responsibility for management development and succession planning:

Responsible party	Oversight area for management development and succession planning
Board	Oversight of these topics as part of its overall oversight role, including regular reviews of management development and succession planning to maximize the pool of internal candidates who can assume top management positions without undue interruption.
Compensation & Human Capital Management Committee	Primary responsibility for organizational talent and development and management succession planning, including regular review of executive performance, diverse representation, potential, and succession planning with a deeper focus than the full Board review, emphasizing career development for high-potential members of management.
Management	The Chief Human Resources Officer, who is a member of our Leadership Team, and senior Human Resources leaders work with functional leaders across Target in developing and implementing programs to attract, assess, and develop management-level talent for possible future senior leadership positions, including those on our Leadership Team.

Sustainability matters

Our sustainability strategy is grounded in long-term growth and value creation for our business and our stakeholders. As we analyze which matters to prioritize and evaluate as part of our sustainability strategy, we engage with a broad, diverse, and ever-evolving group of stakeholders, including our Team Members, guests, shareholders, manufacturers, and community organizations.

Target Forward, our enterprise sustainability strategy, reflects those prioritized sustainability matters integrated into our strategy and purpose. Target Forward builds on our legacy of corporate responsibility and seeks to fortify our business, drive growth for the

future, and help ensure our team and communities continue to thrive. It incorporates specific goals that support our ambitions to design and elevate sustainable brands, innovate to eliminate waste, and accelerate opportunity and equity with Team Members, guests, partners, and communities. More information about Target Forward and our goals can be found on our website at corporate.target.com/sustainability-governance.

Given the breadth of sustainability matters for a company of our size and scale, oversight of those issues is allocated throughout the Board and its Committees.

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General information about corporate governance and the Board

Responsible party	Oversight areas for sustainability matters
Board	<ul style="list-style-type: none"> Crisis management and response Organizational team health Reputation management Sustainability risks through oversight of our business strategy and top enterprise risks Sustainability strategy (through oversight of our business strategy and annual strategic priorities)
Audit & Risk Committee	<ul style="list-style-type: none"> Compliance and ethics Cybersecurity and information security Data privacy Product and food safety Supply chain corporate responsibility matters, including vendor human capital and responsible sourcing practices
Compensation & Human Capital Management Committee	<ul style="list-style-type: none"> Broad-based compensation and benefits Culture and Team Member engagement DE&I in support of our business Pay equity Team Member growth and development
Governance & Sustainability Committee	<ul style="list-style-type: none"> Environmental stewardship practices (including climate and energy, waste, natural resources, and chemicals) Overall approach to sustainability program management matters (including strategy formulation, topic prioritization, monitoring, and external reporting) Philanthropy and community engagement Policies and practices regarding public policy advocacy and political activities Social and political issues and risks not allocated to other Committees

At the management level, our sustainability matters are led and coordinated by our Senior Vice President, Corporate Responsibility & Sustainability, who reports to a member of our Leadership Team and regularly engages with the Governance & Sustainability Committee and provides relevant information to the full Board. The Senior Vice President, Corporate Responsibility & Sustainability is responsible for:

- conducting regular priority assessments to determine the topics of most significance to our stakeholders;
- collaborating with our Leadership Team to instill sustainability-related priorities into our business operations,

including product design and development, sourcing and supply chain operations, and our new store development; and

- developing sustainability-related goals and managing our sustainability data, measurement, and reporting.

In our annual Sustainability and Governance Report we provide extensive information on different sustainability and corporate responsibility matters and include appendices that organize and report the information according to the most widely used reporting standards and frameworks. Our most recent report is available on our website at corporate.target.com/sustainability-governance/reporting.

Information security, cybersecurity, and data privacy

Securing company systems, business information, and personal information of our guests, Team Members, vendors, and other third parties is important to us. We have systems in place to:

- safely receive, protect, and store that information;
- collect, use, and share that information appropriately; and
- detect, contain, and respond to information security, cybersecurity, and data privacy incidents.

While everyone at Target plays a part in information security, cybersecurity, and data privacy, oversight responsibility is shared by the Board, its Committees, and management. For additional information regarding our cybersecurity risk management, strategy, and governance and a related description of our information security and data privacy practices, see Part I, Item 10, Cybersecurity of our 2023 Annual Report.

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Key Examples

Allstate 2024 Proxy Statement

Allstate has a lengthy, standalone section entitled "Engaged Oversight" which addresses nine subsets of risk oversight, including strategy, risk & return, financial & operational, sustainability, HCM, cyber, etc., devoting a page to nearly every topics, and ending with a graphic showing "Comprehensive Risk Oversight" by the board and its committees

The collage displays various sections from the Allstate 2024 Proxy Statement:

- Engaged Oversight:** A section titled "Engaged Oversight" with a large number '3' indicating its length. It states that Allstate's Board brings the right skills, expertise and experience to effectively oversee the business, including the company's significant risk and return priorities.
- Key Areas of Risk Oversight:** A grid of icons representing different risk areas: Risk and Return Management, Ethics and Compliance, Operating and Financial Performance, Human Capital Management, Political Engagement, and Sustainability.
- Comprehensive Risk Oversight:** A large graphic showing a grid of risk areas and the committees responsible for their oversight. The grid includes:
 - Risk and Return Committee:** Oversees Risk and Return Management, Ethics and Compliance, Operating and Financial Performance, Human Capital Management, Political Engagement, and Sustainability.
 - Audit Committee:** Oversees Operating and Financial Performance, Human Capital Management, Political Engagement, and Sustainability.
 - Compensation and Human Capital Committee:** Oversees Human Capital Management, Political Engagement, and Sustainability.
 - Resolving, Governance and Social Responsibility Committee:** Oversees Ethics and Compliance, Operating and Financial Performance, Human Capital Management, Political Engagement, and Sustainability.
- Other sections shown:**
 - Risk and Return Management Oversight:** Discusses the Board's oversight of the company's risk and return strategy, including the use of the Risk and Return Framework (RRF).
 - Political Engagement:** Details the company's policy on political engagement, including its support for the U.S. Supreme Court and its opposition to certain executive orders.
 - Human Capital Management:** Describes the company's approach to human capital management, including its focus on diversity, equity and inclusion (DEI).
 - Cybersecurity:** Outlines the company's cybersecurity risk management strategy and its commitment to protecting the confidentiality, integrity and availability of its information systems.
 - Climate Change:** Discusses the company's approach to climate change risk management, including its commitment to reducing greenhouse gas emissions.
 - Anti-Corruption:** Details the company's anti-corruption and bribery risk management strategy.
 - Financial Risk:** Describes the company's approach to financial risk management, including its focus on maintaining a strong balance sheet.
 - Operational Risk:** Outlines the company's approach to operational risk management, including its focus on improving operational efficiency.



Management Succession Planning

Management succession is viewed as a key board responsibility and perhaps one of its most important functions. Over the last few years, in response to stakeholder interest, more companies are describing their processes, including the importance the board places on this activity and the committee charged with primary oversight responsibility. Best practice companies are also providing enough details to illustrate a continuous and robust review.

What to Think About

- **Dedicated Section on Management Succession Planning:** We recommend a standalone section as part of the board oversight or key board roles and responsibilities section. Many companies include the discussion within their Human Capital Management section - if so, make sure the section heading is prominent as management succession planning and HCM cover different topics.
 - If there has been a recent CEO or other senior management transition, we would also expect that to be discussed in the letter(s) from leadership and introduction to CD&A.
- **Succession Planning.** Management succession planning is often a standalone section in a company's proxy statement – either within the human capital

management section or in the broader board oversight section. We recommend that companies emphasize the importance the Board places on robust succession planning processes, i.e., succession planning should be seen as one of the primary focus areas for a board. Companies should disclose the board committee with oversight responsibility, frequency and type of reviews, internal participants involved, role of diversity in the executive search, and whether an independent third party is used. Companies often reference whether they have emergency succession plans in place for the CEO. More fulsome succession planning disclosures are provided throughout the proxy statement, including in the proxy summary and board letter, when there has been a recent change in senior leadership.

- **Infographic Opportunities:** If there has been recent management turnover, a timeline showing the board's process can be helpful. Also use headings to distinguish between long-term succession planning and emergency succession planning

Labrador Transparency Award Criteria



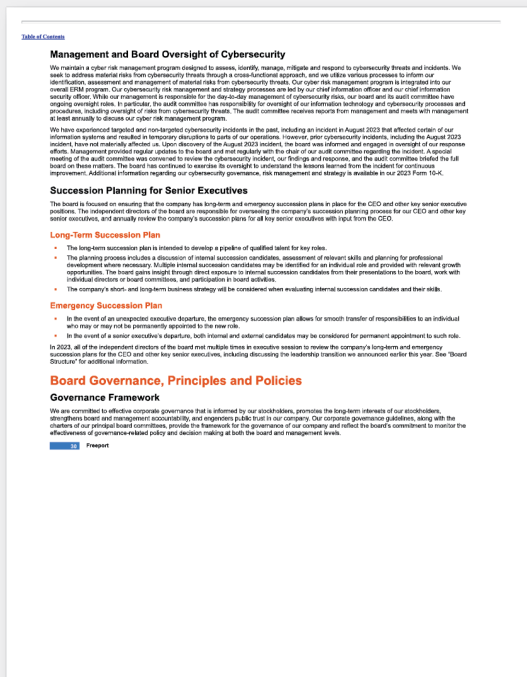
- The document includes a dedicated section, sub-section or callout discussing the board's role in CEO and management succession planning.



Key Examples

Freeport-McMoRan Inc. 2024 Proxy Statement

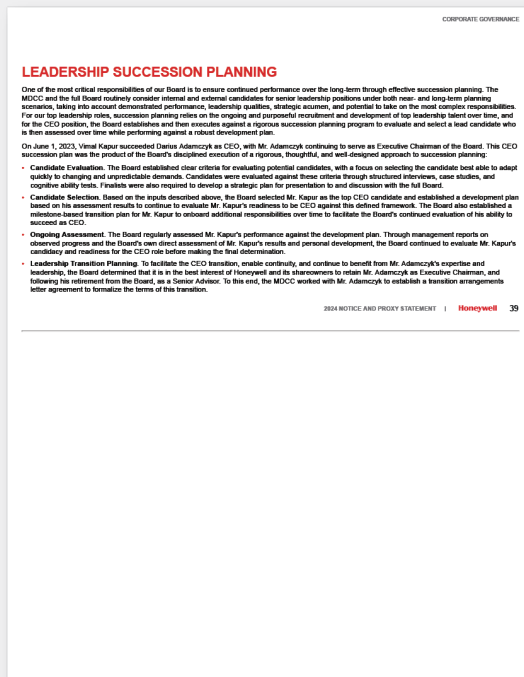
Dedicated section under Board oversight, with separate discussions of long-term and emergency succession planning



Honeywell 2024 Proxy Statement

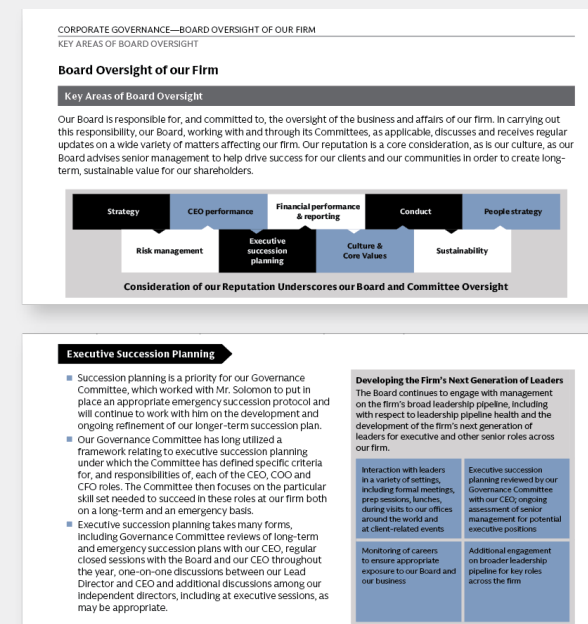


Dedicated section, coming before risk oversight; discusses recent CEO transition



Goldman Sachs 2024 Proxy Statement

Board oversight section starts with a graphic showing key oversight areas, with separate discussion on succession planning; simple graphic to underscore how the board interacts with the firm's next generation of leaders





Key Examples

Lumen Technologies 2024 Proxy Statement

Uses a timeline to show the multi-year process leading up to recent CEO transition; refers to use of a nationally-recognized consultant; dedicated section between strategy and risk oversight

Allstate 2024 Proxy Statement

Uses graphic to show annual succession planning review cycle (discussion part of HCM, which is part of risk oversight)

Board of Directors and Governance

CEO and Executive Succession Planning

The Board and management recognize the importance of continuously developing our executive talent, identifying potential outside candidates and preparing for emergency situations. Our HRCC, along with management, conducts periodic talent reviews that include succession plans for our senior leadership positions, including 360° peer reviews conducted by the NCO Committee. In 2018, the NCO Committee engaged a nationally recognized third-party consultant to develop a comprehensive executive management succession planning strategy and since then Lumen has retained the same consultant to continue to advise the Board and the company's leadership with the following objectives:

- View succession planning as an ongoing process, not an "event"
- Develop a succession plan for different scenarios (emergency, accelerated and orderly)
- Link succession planning to strategy by creating a CEO profile that focuses on what is most needed to lead Lumen now and in the future
- Understand the external market of CEO-ready talent and regularly update this understanding and benchmark data
- Assess the readiness of current key Lumen executives to assume the CEO and other top positions and Lumen's plans and timelines for addressing any gaps in readiness
- Ensure that key Lumen executives have clear and actionable development plans, including detailed coaching for key executives and establish a regular and transparent process for leadership and the Board to track progress against development goals as needed

Year	Key Events
2019	Approved an emergency succession plan and related communications plan
2020	Refreshed and reviewed potential external CEO candidates
2021	Continued to work with independent consulting firm to refine our internal and external development processes
2022	Completed CEO succession plan, Mr. Johnson succeeded Mr. Storey on November 7, 2022
2023	Since January 1, 2023, rehired nearly all of the senior leadership team by adding seven new members to the team

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2024 Proxy Statement
Corporate Governance

Human Capital Management

FULL BOARD | COMPENSATION AND HUMAN CAPITAL COMMITTEE

The Board engages in an ongoing review of human capital management practices since they are vital to Allstate's continued success. This includes overall organizational health and practices, such as recruitment, development and retention, as well as progress against the company's inclusive diversity and equity ("IDE") strategy and goals.

BOARD ROLE IN REVIEWING CULTURE
At Allstate, we believe that a purpose driven company must be powered by purpose driven people. Culture is defined as a self-sustaining system of shared values, priorities and principles that shape beliefs, drive behaviors and influence decision making within an organization. The Board reviews organizational health annually. At Allstate, we are focusing on how we recruit, retain, develop and engage employees. Organizational culture is included as a key risk category and is monitored and measured by management's EHRM framework and overseen by the Board. This "tone at the top" message ensures that management is held accountable for its implementation and maintenance of high ethical standards and protecting Allstate's reputation, assets and business.

BOARD ROLE IN SUCCESSION PLANNING
The Board's involvement in leadership development and succession planning is systematic and ongoing. Management succession was discussed multiple times in 2023 during compensation and human capital committee meetings, Board meetings and executive sessions. Discussions cover CEO and senior leadership succession planning and development plans. The Board also has regular and direct exposure to senior leadership and high-potential officers in meetings held throughout the year.

SUCCESSION PLANNING REVIEW CYCLE

APRIL CEO Succession
Topic: CEO succession planning
Primary Focus: Internal succession alternatives are evaluated under different strategic and operating scenarios across multiple time periods – immediate, less than 3 years and 3-5 years

JULY Organizational Health
Topic: Organizational health – how Allstate recruits, develops and retains people, including its IDE commitments
Primary Focus: Systematic approach to talent acquisition, development and retention

SEPTEMBER Key Leader Succession
Topic: Senior leadership succession alternatives
Primary Focus: Key leader development and retention

NOVEMBER Scenario Planning
Topic: CEO and senior leadership scenario succession planning
Primary Focus: Talent acquisition and planning in the event of unexpected succession issues

INCLUSIVE DIVERSITY AND EQUITY
IDE is a core value in Allstate's Our Shared Purpose. In furtherance of the goal to be a differentiated IDE leader, Allstate launched a multi-year IDE strategy that is overseen by the Board. The Board reviewed IDE topics at multiple meetings in 2023, including a presentation by an outside speaker on inclusivity, contributing to effective oversight of this important initiative.

Pay Equity Analysis

- For the fifth year in a row, Allstate engaged an outside firm to provide a detailed pay equity analysis to identify potential pay gaps across substantially similar employee groups and identify policies, practices or systemic issues that may contribute to pay gaps now or over time.
- The external analysis found that Allstate's results compare well to benchmarks for companies of similar size and scope. In the few employee groups where pay gaps were identified, those gaps were remediated and policies were established to ensure pay equity continues in the future.

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Board Leadership

In the past, disclosures related to leadership structure primarily tracked SEC rules, which required a description of the board’s leadership structure, the role of a lead independent director (if any) in board leadership, and the reasons the leadership structure is appropriate. With shareholder proposals on separating the Chair and CEO roles increasing in the last several years, companies enhanced their descriptions in several ways, including expanding upon the process the Board uses to determine a leader, the duties inherent in the role, and the specific qualifications that make the leader qualified to serve.

What to Think About

Shareholders want assurances that boards are sufficiently independent from management. This means that directors appropriately challenge management and perform thoughtful and independent reviews of matters within the board’s oversight responsibilities. An independent board leadership position provides an independent counterbalance to executive management. Without that, stockholders are concerned that management may control the agenda and boardroom discussions. Independent committees also work to provide effective independent oversight.

In addition to describing the board’s basic leadership structure, details should be provided about the criteria used by the board in selecting a leader and the most salient characteristics that make the individual qualified to fill the role. Companies should also describe the specific circumstances that make the leadership

structure appropriate at that point in time. If the roles of Chair and CEO are combined, companies should outline the benefits of a combined role and the circumstances under which the roles may be separated in the future.

Companies should provide an itemized list of the duties and responsibilities of the Chair or lead director in bullet format. In response to recent SEC comment letters, companies are providing details on the lead director’s role in risk oversight, including whether the lead director can require board consideration of, and/or override the CEO, on any risk matters. Information on how the lead director represents the board in communications with stakeholders and provides input on the design of the board itself are also important disclosures.

We recommend including information about the tenure of the individual holding the leadership role, and whether there is a limit on the number of years the position can be held.

For companies with an independent chair, companies have expanded their disclosures in response to SEC comment letters. They describe the circumstances under which they would combine the role, when shareholders would be notified of a change, and whether the company would seek input from shareholders prior to any change.

Labrador Transparency Award Criteria

- The duties/responsibilities of the Independent Chair or Lead Independent Director (as applicable) are listed in bullet format.
- The rationale and/or qualifications related to selection of individuals currently serving as Chair and/or Lead Independent Director is explained.

Looking Ahead

As the board’s independence from management continues to be a key area of focus, companies should continue to develop innovative ways to demonstrate this important attribute. For example, some companies include specific, measurable data points to illustrate independence, such as the number of meetings attended by the lead director and/or committee chairs in carrying out their leadership responsibilities. Some companies supplement the normal list of lead director responsibilities with specific responsibilities that bolster their rigorous oversight role, such as a lead director having access to all committee materials or being involved in the interview of all board candidates.



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Benchmarking Leadership Structure

78%

Duties/responsibilities of the Independent Chair or Lead Independent Director (as applicable) are listed in bullet format

60%

Rationale and/or qualifications related to selection of individuals currently serving as Chair and/or Lead Independent Director is explained

22%

A graphic is included to depict the board leadership structure

Key Examples

Target 2023 Proxy Statement

Includes a clear and effective rationale as to why the leadership structure meets the needs of the company at that particular time; also includes service length

Bank of America 2024 Proxy Statement

Includes a comprehensive list of responsibilities, including how the lead director takes an active role with shareholders and regulators, and includes a leadership succession planning paragraph

General information about corporate governance and the Board

Board leadership structure

We do not have a policy on whether the roles of Chair of the Board and CEO should be combined or separated. Instead, the Board prefers to maintain the flexibility to determine which leadership structure best serves the interests of Target and our shareholders based on evolving needs. We currently have a combined Chair of the Board and CEO leadership structure. Whenever the Chair of the Board and CEO roles are combined, as they are currently, our Bylaws and Corporate Governance Guidelines require that we have a Lead Independent Director position to complement the Chair of the Board's role and to serve as the primary liaison between the Independent Directors and the CEO. Our Corporate Governance Guidelines require that both the Chair of the Board and Lead Independent Director be elected annually by the Independent Directors.

retail industry experience make him most capable of identifying strategic considerations and facilitating Board discussions about the development and oversight of Target's business strategy, which is his role of Board leadership.

The Board is committed to continuing to seek shareholder feedback on its approach as part of its ongoing shareholder outreach efforts and will continue to reassess its Board leadership structure on a regular basis.



Monica G. Lozano

Lead Independent Director since 2023

- Robust responsibilities:**
 - **Consensus meetings:** Has the authority to convene meetings of the Board and executive sessions consisting solely of independent directors at any meeting.
 - **Preside at certain meetings:** Preside at all meetings of the Board in which the Chair of the Board is not present, including executive sessions of independent directors.
 - **CEO performance review:** Oversees the annual performance review of the CEO, with input from the other independent directors.
 - **Director helpline:** Serves as the primary liaison between the CEO and the Independent Directors.
 - **Meeting schedules, agendas, and information:** Approves meeting schedules, agendas, and the information furnished to the Board to ensure that the Board has adequate time and information for discussion.
- **Shareholder engagement:** Has the authority to engage in consultation and direct communication with major shareholders, as appropriate.
- **Independent director expectations:** Coordinates with the CEO to establish expectations for independent directors to consistently monitor Target's operations and those of our competitors.
- **Compensation and director succession planning:** Coordinates with the Compensation & Sustainability Committee regarding Board Committee composition, Committee Chair selection, the annual performance review of the Board and its Committees, and director succession planning.

- Annual elections:** Elected annually by the independent directors.
- Service length:** As a director, the Lead Independent Director should serve in that capacity for no more than four to six years.

Corporate governance

Our company or its subsidiaries purchased products or services in the ordinary course from certain of our directors and director nominees as executive officers or employees or their immediate family members seven or more in the past three years as executive officers: Mr. Howard, Mr. Donald D. Ross, and Mr. Woodell. Mr. Howard, the fees paid for each of these entities were below the thresholds of the NYSE listing standards and our Category A Standards.

Independent Board leadership

Our Board is committed to objective, independent Board leadership. It believes that independent Board oversight involves not only having a properly defined independent board leader, such as a strong Lead Independent Director when the Chair is the CEO, but also having robust governance structures that promote active oversight. Our Board embraces multiple, interrelated practices that support the Board's effective functioning as a whole and empower strong and objective Board oversight. These practices include:

- **Regular reviews of our Board leadership structure and governance practices,** taking into account contemporary shareholder and stakeholder perspectives.
- **A robust, well-defined, and transparent Lead Independent Director structure that applies when our Chair is not an independent director and that empowers the Lead Independent Director with extensive authority and responsibilities.** The Lead Independent Director's comprehensive authority and responsibilities are formalized in our Corporate Governance Guidelines, are regularly reviewed, and give our Lead Independent Director significant authority with respect to the operation and functioning of the Board and engaging directly with stakeholders.
- **Active leadership, involvement, and influence by the Lead Independent Director.** The Lead Independent Director regularly convenes and preside over executive sessions of our independent directors outside the presence of management and our CEO, and develops topics for discussion during these closed sessions. In addition, the Lead Independent Director holds regular discussions with our other independent directors in between Board meetings, meets with our CEO at least monthly and with other members of management at least quarterly, has regular calls with our primary bank regulators, and plays a central role in overseeing and participating in shareholder engagement efforts.
- **A Board composed of diverse, experienced, and skilled directors, all of whom stand for election annually and all of whom are independent outside from the CEO.** Each standing committee of the Board is presided over by an independent director and a corporate entity of independent directors. Under this approach, independent directors are empowered and motivated with oversight of critical issues that involves the purview of these committees, and
- **A robust Board and committee formal self-evaluation process and thoughtful director succession practices** as described on pages 25 and 111, respectively, of this proxy statement.

We believe these practices, coupled with our Board's other governance processes, provide for strong, independent Board leadership and effective engagement with, and oversight of, management.

Our Board leadership structure

Our Bylaws provide that our Board has the flexibility to determine the Board leadership structure best suited to the needs and circumstances of our company and our Board. This Bylaw provision was utilized by our shareholders at a 2015 special meeting called solely for that purpose. Our shareholders reaffirmed their support for allowing this flexibility by voting against shareholder proposals seeking Bylaw amendments requiring an independent Chair at each of our 2017, 2018, and 2023 annual meetings of shareholders. At least annually, our Board in coordination with our Corporate Governance, ESG and Sustainability Committee, deliberates on and discusses the appropriate Board leadership structure, including the considerations described above.

Our Board's optimal leadership structure may change over time to reflect our company's evolving needs, strategy, and the operating environment, changes in our Board's composition and leadership needs, and other factors, including the perspectives of shareholders and other stakeholders. The Board evaluates the Board's leadership structure at least annually to determine which, if any, changes are appropriate based on the then-existing needs and circumstances of our company and our Board and input from shareholders and other stakeholders. If at any time the Board's review of its leadership structure resulted in the conclusion that an independent Chair would best serve the interests of our shareholders based on the company's needs and circumstances at that time, the Board would appoint an independent Chair.

Under our Board's current leadership structure, we have a Chair and a Lead Independent Director. Our Board, through its annual assessment with input from shareholders, believes that the existing structure continues to be the optimal leadership framework at this time. Our Lead Independent Director, Mr. Howard, exemplifies objective, independent Board leadership and effectively engages with and oversees management. Mr. Howard leads the other independent director in providing objective oversight of management, reviewing the CEO's performance, determining and approving CEO compensation, helping to establish our company's long-term strategy, and regularly assessing its effectiveness, and serving the best interests of our company and our shareholders by overseeing management's work to create long-term value as a part of our Chair. Mr. Morgan, who as CEO, serves as the primary voice articulating our long-term strategy and responsible growth. Mr. Morgan brings deep experience and leadership and knowledge of the financial services industry, our company, its business, and our focus on Responsible Growth. He is a global leader who is leading our progress toward the United Nations Sustainable Development Goals (UN SDG), including serving on (and formerly chairing) the World Economic Forum's (WEF) International Business Council, which is leading efforts on standardization of the SDG disclosures, and is a member of the Sustainable Markets Institute.

Corporate governance

Empowered and highly-engaged Lead Independent Director As our Lead Independent Director, Mr. Howard is empowered with and exercises robust, well-defined duties formalized in our Corporate Governance Guidelines⁽¹⁾

Board leadership	Board focus	Board meetings	Board culture	Board performance and development	Shareholders and other stakeholders	Shareholders	Regulators	Directors	Management
• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors	• Calling meetings of the independent directors, as appropriate	• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors	• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors	• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors	• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors	• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors	• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors	• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors	• Presiding at all meetings of our Board at which the Chair is present, including at executive sessions of the independent directors

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(1) See our Corporate Governance Guidelines available at <https://investor.bankofamerica.com/under-the-hood/governance/>



Key Examples

Sherwin Williams 2024 Proxy Statement

Includes disclosures in response to recent SEC comment letters

General Mills 2023 Proxy Statement

Robust discussion of considerations in selecting lead director and nice visual of entirety of board leadership

Corporate Governance

Board Leadership Structure

Chairman of the Board

Our Corporate Governance Guidelines provide that the same person should hold the positions of Chairman of the Board ("Chairman") and CEO except in unusual circumstances such as during a period of transition in the office of the CEO. The Board believes this structure generally provides the most efficient and effective leadership model for the Company. In connection with our succession planning process and the transition of the office of the CEO from John G. Morikis to Heidi G. Petz on January 1, 2024, the Board determined it was appropriate to separate the positions of Chairman and CEO, and for Mr. Morikis to continue serving as Executive Chairman, effective on such date. In determining to appoint Mr. Morikis as Executive Chairman, the Board gave consideration to the Company's strategic goals and to Mr. Morikis' in-depth knowledge of the Company, our operations, the paint and coatings industry and the industries we serve as a result of his 39 years with the Company and progression from management trainee to CEO to Executive Chairman. The Board believes that, under these circumstances, separating the Chairman and CEO roles allows the Company to retain and leverage Mr. Morikis' wide-ranging knowledge and experience, while transitioning management of the Company's strategic initiatives and business and operating plans to Ms. Petz. In his role of Executive Chairman, Mr. Morikis will continue to provide leadership to the Board, including by working with the CEO and Lead Director to enhance the Board's effectiveness in fulfilling its oversight responsibilities.

Lead Director

Our Corporate Governance Guidelines require that if the Chairman is not an independent director, the independent directors of the Board, after considering the Nominating Committee's recommendation, annually elect an independent director who has served on the Board for at least one year to serve as Lead Director. Although the Lead Director is elected annually, it is generally expected that he or she will serve for more than one year. The Board believes a Lead Director improves the Board's overall performance by enhancing the efficiency of the Board's oversight and governance responsibilities and by supporting the relationship between the Chairman, CEO and the independent directors.

Role and Responsibilities. The Lead Director has a significant role with robust governance responsibilities. The Lead Director's responsibilities are described in our Corporate Governance Guidelines and are as follows.

- Chair meetings of the Board at which the Chairman is not present.
- Chair executive sessions of the non-management directors. Meet separately with the Chairman after executive sessions to review the matters discussed during the executive sessions.
- Authority to call meetings of the independent directors.
- Review with the Chairman and approve the schedule for meetings of the non-management directors and set the agenda for such meetings.
- Facilitate communications and serve as the principal liaison on Board-related issues between the Chairman and the independent directors. Each director, however, is free to communicate directly with the Chairman.
- Review with the Chairman and approve the schedule for meetings of the Board to help assure that there is sufficient time allocated for discussion of all agenda items.
- Suggest to the Chairman agenda items for meetings of the Board and approve the agenda, as well as the substance and timeliness of information sent to the Board.
- Provide input on the design of the Board, including Board and committee composition, size, membership, leadership, structure, and oversight responsibilities, as part of the Board's and the Nominating and Corporate Governance Committee's periodic review of such matters.
- Assist the Board in overseeing the identification, assessment, and management of the Company's risk exposure.
- Authorize the retention of independent legal advisors, or other independent consultants and advisors, as necessary, who report directly to the Board on Board-related issues.

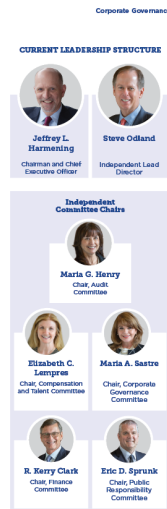
Board Leadership Structure

Strong independent board leadership is essential to the effective operation of the board and to enable the board to fulfill its responsibilities. Our independent directors choose the board leadership structure that in their judgment best serves the interests of the company and its shareholders. Having the ongoing flexibility and discretion to determine whether the same individual should serve as both Chief Executive Officer and Chairman, or whether the roles should be separated, is critical for allowing the independent directors to determine the leadership structure that is best for the company and its shareholders at any given point in time. The corporate governance committee and full board review our board leadership structure on an annual basis in connection with the appointment of the independent Lead Director. This review includes a discussion on the effectiveness of the current board leadership structure, the qualifications and experiences of the Chairman and independent Lead Director and board and shareholder feedback on the structure. The independent directors believe that our current board leadership structure is optimal for the company at this time and continues to deliver strong performance and robust independent board oversight.

Mr. Harmering serves as the company's Chairman and Chief Executive Officer, providing the organization with clear, consistent leadership, strategic vision and management accountability. Mr. Harmering has more than 25 years of leadership experience with General Mills and possesses a deep understanding of the company's businesses and markets. As Chairman and Chief Executive Officer, Mr. Harmering is in the best position to apply his experience and expertise in assessing industry dynamics and guiding the board's discussions of strategy and business performance.

Mr. Odland serves as the board's independent Lead Director, providing leadership for the independent directors and ensuring independent oversight of management and the affairs of the company. The board's current leadership structure was unanimously adopted and approved by the board's independent directors.

The board believes that the critical oversight provided by an independent board and strong independent Lead Director, combined with the organizational leadership of the Chairman and Chief Executive Officer, best serves the interests of the company and its shareholders. This arrangement creates an environment in which the board works collaboratively with management, while ensuring that the independent directors can effectively oversee performance and hold senior leaders accountable. In recognition of the large, complex and global nature of our business, the board recognizes that a combined Chairman and Chief Executive Officer provides clear leadership and accountability throughout the organization and best ensures alignment between the board and management on issues of strategy, priorities and accountability.



Corporate Governance

Independent Lead Director

The board recognizes the importance of appointing an independent Lead Director to maintain a strong independent board leadership structure that functions collaboratively with management, while maintaining independent oversight. Therefore, the position of independent Lead Director comes with a clear mandate and significant authority and responsibilities. At any time when the board determines that the same individual should hold the positions of Chairman and Chief Executive Officer, and at any time when the Chairman is not independent, the independent directors elect an independent Lead Director.

Considerations in Selecting the Independent Lead Director

Mr. Odland has served as the independent Lead Director since September 2019. Mr. Odland's service as the board's independent Lead Director has provided leadership for the independent directors and ensured independent oversight of management and the affairs of the company.

Mr. Odland draws on his business leadership, corporate strategic planning and governance expertise to provide strong, independent board leadership and to ensure board effectiveness by fostering active discussion and collaboration among the independent directors on the board and serving as an effective liaison with management. During his tenure, the board and management team have delivered strong results for our shareholders, developed and executed our Accelerate strategy, reshaped our portfolio and organization, continued to enhance the company's environmental, social, governance and executive compensation practices and processes, and strengthened the board's oversight of critical strategic operating issues.

Our independent Lead Director is elected by the independent directors to serve for a three-year term, which may be extended by one year under certain circumstances. The board extended Mr. Odland's appointment as independent Lead Director for an additional year in 2022 to provide continuity and stability in overseeing the company's Accelerate strategy as the pandemic subsided. His term will expire at the 2023 Annual Meeting and, based on a thorough succession process, the board will appoint a new independent Lead Director at that time.

Primary Responsibilities of the Independent Lead Director

- Reviews and approves board agendas with the Chairman;
- Presides at all board meetings at which the Chairman is not present, including executive sessions of the independent directors (held at each board meeting), and informs the Chairman of issues considered and decisions reached during those sessions;
- Facilitates effective and candid board discussions and communications to optimize board performance;
- Meets regularly with the Chairman, serves as a liaison between the Chairman and the independent directors, and helps facilitate communications between the board and senior management;
- Leads the board in setting forth and enforcing its expectations of ethical standards at the board and senior leadership levels;
- Interviews each independent director separately as part of the annual board evaluation process;
- Advises the Chairman of the board's informational needs and provides guidance on the types of information sent to the board;
- Calls meetings of the independent directors, as needed, and sets agendas for executive sessions; and
- Serves as a board representative for consultation and direct communication with major shareholders when appropriate.



Key Examples

Goldman Sachs 2024 Proxy Statement

Has extensive disclosure about benefits of their leadership structure as well as key components of their annual review

CORPORATE GOVERNANCE—STRUCTURE OF OUR BOARD AND GOVERNANCE PRACTICES

BOARD LEADERSHIP STRUCTURE

Board Leadership Structure

Strong Independent Lead Director—Combined Chair-CEO: Why our Structure is Effective

We review our Board leadership structure annually. Conducting regular assessments, rather than having a fixed policy, allows our Board to deliberate the merits of our Board's leadership structure to ensure that the most efficient and appropriate leadership structure is in place for our firm's needs, which may evolve over time. We are committed to independent leadership on our Board. If at any time the Chair is not an independent director, our independent directors will appoint an independent Lead Director.

Key Components of Review

In December 2023, our Governance Committee conducted its annual review of our Board's leadership structure. The review considered a variety of factors, including our governance practices and shareholder feedback on our Board and its leadership structure. In addition, our Governance Committee considered feedback on our Chairman of the Board received in connection with the Board evaluation.

As a result of this review, our Governance Committee determined that continuing to have Mr. Solomon serve as both Chairman and CEO—working together with a strong independent Lead Director—is the most effective leadership structure for our Board and our firm at this time.

Ultimately, we believe that our current leadership structure, together with strong governance practices, creates a productive relationship between our Board and management, including strong independent oversight that benefits our shareholders.

We will continue to conduct Board leadership assessments annually. If at any time our Governance Committee determines it would be appropriate to appoint an independent Chair, it will not hesitate to do so.

Benefits of a Combined Role

- A combined Chair-CEO structure provides our firm with a senior leader who serves as a **primary liaison between our Board and management** and as a **primary public face of our firm**. This structure demonstrates **clear accountability** to shareholders, clients and others.
- Our CEO has **extensive knowledge of all aspects of our current business, operations and risks**, which he brings to Board discussions as Chairman.
- A combined Chair-CEO serves as a knowledgeable resource for independent directors both at and between Board meetings.
- Combining the roles at our firm has been effective in promulgating **strong and effective leadership of the firm, particularly in times of economic challenge and regulatory change** affecting our industry; the same is important during this phase of our strategic journey, including executing on our strategic transition and positioning the firm for the future.

Key Pillars of Lead Director Role

- Sets and approves agenda for Board meetings and leads executive sessions**
- Focuses on Board effectiveness, composition and conducts evaluations**
- Acts as primary Board contact for shareholder engagement and engages with regulators**
- Serves as liaison between independent directors and Chair/management**

Proxy Statement for the 2024 Annual Meeting of Shareholders | Goldman Sachs 21

CORPORATE GOVERNANCE—STRUCTURE OF OUR BOARD AND GOVERNANCE PRACTICES

BOARD LEADERSHIP STRUCTURE

Powers and Duties of our Independent Lead Director

- Provides **independent leadership**
- Sets agenda for Board meetings**, working with our Chair (including adding items to and approving the agenda) and approving the form and type of related materials, as well as reviewing and concurring in the agendas for each Committee meeting.
- Approves the schedule for Board and Committee meetings.
- Presides at executive sessions** of the independent directors.
- Calls meetings of the Board**, including meetings of the independent directors.
- Presides at each Board meeting at which the Chair is not present.
- Engages with the independent directors and non-employee directors at and between Board and Committee meetings, including:
 - to identify matters for discussion, including for discussion at executive sessions of the independent directors
 - to facilitate communication with the Chair (as set forth below)
 - one-on-one engagement regarding the performance and functioning of the collective Board, individual director performance and other matters as appropriate

Strong Governance Practices Support Independent Board Oversight

- Experienced independent directors, the majority of whom have executive-level experience
- Independent and engaged Chairs of all Committees
- Regular executive sessions of independent directors chaired by Lead Director, supplemented by additional sessions of directors without management present
- All directors may suggest inclusion of additional subjects on agendas and call an executive session
- Annual Board and Committee evaluations include feedback on individual director performance
- Independent director participation in, and oversight of, key governance processes, such as CEO performance, executive compensation and succession planning
- All directors are free to contact any employee of our firm directly
- Our Chairman and CEO and our Lead Director meet and speak regularly about our Board and our firm

Stakeholder Feedback & Engagement

- We have generally received positive stakeholder feedback on the nature of our Lead Director role and our annual leadership structure review
- In considering the strength of our Board leadership structure, many investors cite our Lead Director's extensive list of enumerated duties, extensive engagement with shareholders and the insight into our Board provided by our Lead Director's letter in our proxy statement
- Our retiring Lead Director, Adebayo Ogunshe, engaged actively during his tenure with the firm's shareholders and other key stakeholders, including our regulators, to discuss a variety of topics, including our Board leadership structure and his responsibilities as Lead Director. Board effectiveness, compensation, the Board's independent oversight of strategy and firm culture, and Board and management succession planning
- David Villar, our incoming Lead Director, intends to continue this robust approach to shareholder engagement going forward
- In 2023, Mr. Ogunshe met with investors representing over 25% of our shares outstanding. He regularly conducted engagement over his tenure as Lead Director, generally meeting with individuals representing key investors and proxy advisory firms

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Committee Structure

Similar to Board leadership, traditionally, disclosures related to committee structure aligned with SEC requirements, which required a list of committee members, the number of committee meetings held during the last fiscal year, and a brief description of the functions performed by the committee. As investors demand more accountability and responsiveness from the Board, committees have taken on additional responsibilities and companies have expanded disclosures to align with this enhanced oversight.

What to Think About

It is expected that committees provide meaningful and constructive independent oversight related to the committees' areas of expertise. In that regard, there should be a clear description of how the committees engage with the board and how they engage with and oversee management

Active and engaged committees are an integral component to a Board's oversight processes. Committee members should actively participate at committee meetings and committee chairs should perform careful reviews of meeting agendas and materials in advance of meetings

Many companies include thumbnail pictures of the committee chairs and/or members, alongside the number of meetings in a visual presentation. In

addition, committee responsibilities are included in bullet format and often include a summary of topics discussed by each board committee during the year. Companies provide details on the committees' annual activities in different ways, including through quarterly calendars of agenda items or quotes from committee chairs. This detail provides visibility into the strong independent role committees play in overseeing the identification, management and mitigation of the company's key risks.

Some companies are supplementing their committee disclosures with details on the qualifications that make the committee chair qualified to perform the role and/or information on the skills represented on the committee. Some also provide the precise attendance figures at committee meetings.

Some companies highlight the various independent consultants retained to supplement the committees' areas of expertise.

Companies should also provide details on the board's selection process for committees and committee chairs, including whether they have a regular rotation policy.

Labrador Transparency Award Criteria



- The document includes disclosure on the board's committee chair rotation and selection process.
- Board committee responsibilities are presented in bullet format.

Looking Ahead

To demonstrate strong refreshment practices related to committee membership, companies may want to supplement their committee disclosures by explicitly highlighting rotations on and off the committee during the year.



Benchmarking Committee Structure

24%

The document includes disclosure on the board's committee chair rotation and selection process

84%

Board committee responsibilities are presented in bullet format

Committee descriptions includes:

16%

Photos of the chair only

13%

Photos of the entire committee

3%

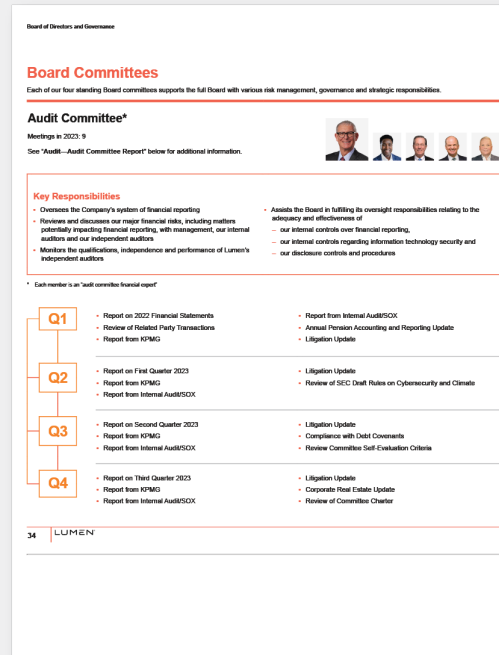
Skills of members

Key Examples

Committee Structure

Lumen 2024 Proxy Statement

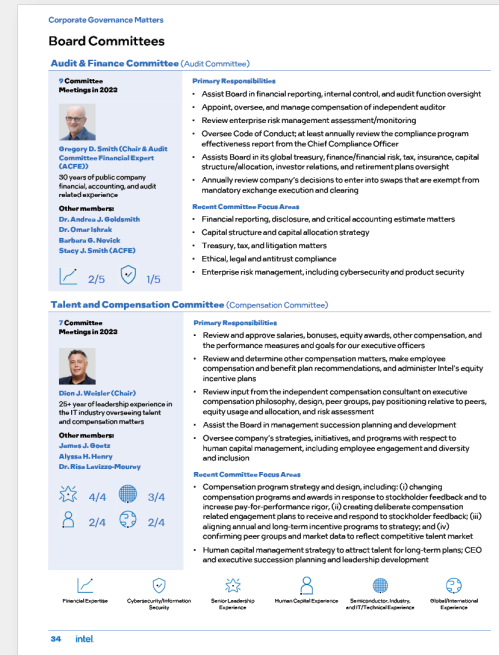
Includes the quarterly calendar of agenda items by committee



Intel 2024 Proxy Statement



Includes many of the items noted as best practice - including recent committee focus areas, number of committee members with a particular skill and new for 2024 - a statement on the expertise of the chair





Key Examples

Freeport-McMoRan 2024 Proxy Statement

Exact committee attendance at meetings

International Paper 2024 Proxy Statement

Attendance rate; separate section by each committee detailing how meeting agendas are developed and when/how often executive sessions are held

Board Committees

The Board has four standing committees: audit, compensation, governance and corporate responsibility, each of which is composed entirely of independent directors and regularly reports to the full board. The governance committee annually reviews and makes formal recommendations to the board regarding the size and membership of each committee of the board, including the identification of individuals qualified to serve as members of each committee. Each committee operates under a written charter adopted by the board. See our website at [fsc.com](#) under "About Us - Corporate Governance - Governance Documents" for more information.

Audit Committee
All committee members are audit committee financial experts.

Primary Responsibilities
Assists the board in its oversight responsibilities relating to:

- the effectiveness of the company's internal control over financial reporting
- the integrity of the company's financial statements
- the company's compliance with legal and regulatory requirements
- the qualifications and independence of the company's independent registered public accounting firm
- the performance of the company's independent registered public accounting firm and internal audit firm
- the adequacy and effectiveness of the company's information technology security processes and procedures, the assessment of risks and threats to the company's information technology systems, the internal controls regarding information technology security and cybersecurity, and the steps management has taken to monitor and mitigate information technology security and cybersecurity risks

See "Board Composition," "Board Oversight" and "Audit Committee Matters - Audit Committee Report" for additional information.

Corporate Responsibility Committee

Primary Responsibilities
Assists the board in fulfilling its oversight responsibilities with respect to the company's key environmental and social policies and implementation programs and related risks, opportunities and other related matters affecting the company's business. The company's environmental and social programs and focus areas, many of which internally include, among other things:

- safety and health
- responsible production frameworks
- talents management and stewardship
- climate
- water stewardship
- biodiversity nature and land management
- waste management
- human rights
- stakeholder relations, social performance and indigenous Peoples
- responsible sourcing
- political activity and spending practices

See "Sustainability / ESG - Board Oversight of ESG" for additional information.

Corporate Governance / How the Board Operates

Overboarding Policy

The Board does not categorically restrict directors from serving on the boards of other public companies. However, because of the time commitment required for membership on the Board, directors are expected to consult with the Chairman of the Board and the Chair of the Governance Committee before accepting an invitation to serve on another public company board.

Board Committees

In order to fulfill its responsibilities, the Board has delegated certain authority to its committees. The Board has four standing committees: Audit and Finance, Governance, Management Development and Compensation, and Public Policy and Environment. The Board also has an Executive Committee, which meets only if Board action is required and is a quorum of the full Board cannot be convened on a timely basis.

Each committee has a charter, which is reviewed annually to ensure compliance with applicable law and sound governance practices. Each committee reviews its own charter, except that the Governance Committee also assesses the Executive Committee's charter. Committee charters are available at [www.internationalpaper.com](#) under the "Investors" tab at the top of the page followed by the "Governance" and "Board Committees" links. Paper copies of the charters are available at no cost by written request to the Corporate Secretary.

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Corporate Governance / How the Board Operates

Committee Assignments

Independent Board members are assigned to one or more committees. The Governance Committee recommends any changes in assignments to the entire Board. Committee chairs are rotated periodically, usually every three to five years.

Governance Committee

4 Meetings in 2023 100% Attendance Rate

Current Members
Ilex C. Gordon (Chair)
Christopher M. Connor
Jaqueline C. Herman
Clinton A. Lewis, Jr.
All Members are INDEPENDENT

Meetings
Meeting agendas are developed by the Chair in consultation with committee members and senior leaders, who regularly attend the meetings.

Responsibilities
Assuring the Company abides by sound corporate governance principles, including compliance with the Company's Code of Incorporation, By-Laws, and Corporate Governance Guidelines, and reviewing conflicts of interest, including related person transactions under our Related Person Transactions Policy and Procedures.

- In its capacity as the Board's nominating committee, identifying and recommending individuals qualified to become Board members and evaluating directors standing for re-election.
- Assuring that shareholder communications, including shareholder proposals, are addressed appropriately by the Board or Company management.
- Recommending non-employee director compensation and assisting the Board in its annual self-assessment.

Audit and Finance Committee

6 Meetings in 2023 100% Attendance Rate

Current Members
Andres Gaudin (Chair)
Christopher M. Connor*
Ahmed C. Durkin
Kathryn D. Sullivan
All Members are INDEPENDENT

*The Board has determined that these directors qualify as Audit Committee financial experts.

Meetings
Meeting agendas are developed by the Chair in consultation with committee members and senior management, who regularly attend the meetings. At each meeting, the committee also holds executive sessions without members of management, and it also meets privately with representatives from our independent auditor, and separately with the Chief Financial Officer, General Counsel, chief audit executive, and Corporate Controller.

Responsibilities
Assuring our Board is monitoring the integrity of our financial statements and financial reporting procedures.

- Reviewing the independent auditor's qualifications and independence, as well as overseeing the performance of our internal audit function and the independent auditor.
- Coordinating our compliance with legal and regulatory requirements relating to the use and development of our financial resources, as well as ensuring that controls are in place to prevent, detect and deter financial fraud by management and monitoring the risk of such fraud.
- Review cybersecurity and information risk management programs and controls, including identification and reporting of material cybersecurity incidents.

In measuring the performance of our internal audit function and independent auditor, the committee discusses the scope, significant risks and plans for the independent audit as well as the annual internal audit workplan. Throughout the year, at committee meetings and in private sessions, the committee discusses issues encountered or any changes in planned audit scopes. These meetings may include key members of the audit teams, subject matter experts, and key members of the management team.

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Corporate Governance / How the Board Operates

Public Policy and Environment Committee

5 Meetings in 2023 100% Attendance Rate

Current Members
Kathryn D. Sullivan (Chair)
Ahmed C. Durkin
Andres Gaudin
Ray G. Young
All Members are INDEPENDENT

Meetings
Meeting agendas are developed by the Chair in consultation with committee members and senior leaders, who regularly attend the meetings.

Responsibilities

- Reviewing environmental, sustainability and social impact issues and risks (including climate change) and health and safety issues and risks potentially impacting the Company, contemporary and emerging public policy issues, and pertinent technology issues.
- Reviewing the Company's health and safety policies, as well as environmental policies, to ensure continuous improvement and compliance.
- Reviewing the Company's policies and procedures for complying with certain of its legal and regulatory obligations, including our Code of Conduct, and reviewing our charitable and political contributions.

Executive Committee

0 Meetings in 2023 NA Attendance Rate

Current Members
Ilex C. Gordon (Chair)
Christopher M. Connor
Ilex C. Gordon
Andres Gaudin
Jaqueline C. Herman
Kathryn D. Sullivan

The Executive Committee may act for our Board, to the extent permitted by law, if Board action is required and a quorum of our full Board cannot be convened on a timely basis in person or telephonically.

The Chairman of our Board, the independent Lead Director, and the chair of each Board committee are members of the Executive Committee.

Management Development and Compensation Committee

7 Meetings in 2023 100% Attendance Rate

Current Members
Jaqueline C. Herman (Chair)
Elex S. Gordon
Clinton A. Lewis, Jr.
Anton V. Vincent
All Members are INDEPENDENT

Meetings
Meeting agendas are developed by the Chair in consultation with committee members and senior leaders, who regularly attend the meetings. An executive session without management present is held at each meeting. The committee's independent compensation consultant, Frederick W. Cook & Co., Inc. ("FW Cook"), regularly attends meetings.

Responsibilities

- Overseeing our overall compensation program and approving the compensation of our senior management (other than the CEO), conducting performance evaluations of the Chairman and CEO at least annually, in accordance with the process organized by the Lead Director, and recommending compensation of the CEO to the independent directors based on such evaluations.
- Discussing with Company management the required disclosure under Item 407(b) of Regulation S-K required by the Compensation Discussion & Analysis ("CD&A") that is prepared as part of the Proxy Statement, and recommending that the CD&A be included in the Proxy Statement.
- Ensuring the Company has policies and programs for the development of senior leaders and succession planning.
- Overseeing our retirement and benefits plans for senior executives and approving any significant changes to our retirement and benefits plans for our employees. The committee may delegate its authority for day-to-day administration and interpretation of these plans, except as it may impact our senior leaders, including the CEO.
- Overseeing our succession planning and talent management strategies and programs, including with respect to diversity, equity and inclusion.

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Key Examples

Allstate 2024 Proxy Statement

Includes Committee Chair quotes as well as a detailed listing of qualifications present on each committee


CVS Health 2024 Proxy Statement

Rotation infographic to show which committee members were added/removed

2024 Proxy Statement
Corporate Governance

A

Audit Committee
Report, pp. 110
Meetings in 2023: 9



Chair: Kermit R. Crawford

Other Members: Donald E. Bean, Siddharth N. Mehta, Jacques Froid, Monica Turner

In 2023, we spent considerable time discussing Allstate's profit improvement strategy and results and Property-Liability reserving. We reviewed a model risk management and governance framework. Technology and cybersecurity remained focus areas and we engaged an independent cybersecurity advisor for the eighth year in a row.

— Kermit R. Crawford, Chair

All members have risk management experience	5
All members have accounting and finance experience	5
All members have technology and cybersecurity experience	5
All members have complex, highly regulated business experience	5
All members have innovation and customer service experience	5
Three members have financial services experience	3

Key Responsibilities:

- Oversees integrity of financial statements and other financial information and disclosures
- Oversees internal controls over financial reporting and disclosure controls and procedures
- Reviews the enterprise risk control assessment and guidelines, including cybersecurity and data privacy risk and the major financial risk exposures and management's steps to monitor and control those risks
- Oversees the ethics and compliance program and compliance with legal and regulatory requirements
- Approves, retains and oversees the independent registered public accountant and evaluates its qualifications, performance and independence
- Evaluates performance of independent cybersecurity advisor annually
- Oversees Allstate's internal audit function
- Oversees Allstate's data privacy programs
- Has authority to engage independent counsel and other advisors to carry out its duties

Management Participation in Committee Meetings

The CFO, chief audit executive, chief compliance executive, chief risk officer, CEO, chief legal officer and general counsel, and chief accounting officer and controller all actively participate in meetings. Senior business unit and technology executives, including the chief information security officer, are present when appropriate. Executive sessions of the committee, in which the committee meets privately with the independent registered public accountant, independent cybersecurity advisor, chief audit executive and chief compliance executive, are held at all regular meetings.

Independence and Audit Committee Financial Expert

The Board determined that all members of the audit committee are independent under the New York Stock Exchange (NYSE) and Securities and Exchange Commission (SEC) requirements, and that Messrs. Bean, Brown and Mehta are each an audit committee financial expert as defined under SEC rules.

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Corporate Governance and Related Matters

Audit Committee

Meetings in 2023: 8

2024 Committee Members (all independent)	2023 Committee Members (all independent)
1. Jean-Pierre Millon*	Fernando Aguirre* (Chair from September 2023)
2. Arne Fruicano	Jeffrey Balser*
3. Fernando Aguirre* (Chair*)	Alicia DeCoudreaux
4. Mary Schapiro*	Edward Ludwig* (Chair until September 2023)
5. Jeffrey Balser*	Jean-Pierre Millon*
	Mary Schapiro*



* Audit Committee Financial Expert

Joined (March 2024)
Arne Fruicano

Rotated Off (March 2024)
Alicia DeCoudreaux
Edward Ludwig

Each member of the Audit Committee is financially literate and independent of the Company and management under applicable SEC rules and the Corporate Governance Standards of the NYSE Listed Company Manual. The Board designated each of Messrs. Aguirre, Ludwig and Millon, Dr. Balser and Ms. Schapiro as an Audit Committee Financial Expert, as defined under applicable SEC rules. The Board has approved a charter for the Audit Committee, which can be viewed on our website at <https://investor.cvshealth.com/investor/corporate-governance/documents/cvs-health-audit-committee-charter> and also is available to stockholders without charge upon request to our Corporate Secretary.

Audit Committee Activities in 2023

The Audit Committee met eight times in 2023. Except for one absence of one member of the Audit Committee due to an unavoidable conflict, each member of the Audit Committee attended all of its meetings. The committee's meetings were focused primarily on our annual or quarterly financial reports, including our Form 10-K Forms 10-Q and our related earnings releases. At each of these meetings, the Audit Committee reviewed the documents in depth with our CFO and our Chief Accounting Officer, as well as our COO, Chief Audit Executive, General Counsel and other key members of management. The Audit Committee also received reports from our internal audit department and our independent registered public accounting firm, Ernst & Young LLP ("Ernst & Young"). The Audit Committee regularly met with Ernst & Young outside the presence of management, also met individually with members of management, including the COO and the Chief Audit Executive. In addition to its responsibilities related to our financial statements, the Audit Committee played a primary role in risk oversight, including reviews of our enterprise risk management program and oversight of our anti-money laundering and sanction screening compliance programs, business continuity and enterprise resiliency programs, and health, safety and environment program. The Audit Committee also reviewed our legal and regulatory compliance program and received updates on a quarterly basis. The Audit Committee also provided the report found on page 42 of this proxy statement, and recommended the inclusion of the Company's audited financial statements in its 2023 Form 10-K.

2023 Primary Responsibilities

Pursuant to its charter, in 2023 the Audit Committee held responsibility for:

- the integrity of our financial statements;
- the qualifications, independence and performance of our independent registered public accounting firm; for whose appointment the Audit Committee bears principal responsibility;
- the performance of our internal audit function;
- our policies and practices with respect to risk assessment and risk management, including cybersecurity risk management; the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures;
- compliance with, and approval of, our Code of Conduct;
- the review of our business continuity and enterprise resiliency program;
- the review of our health, safety and environment program; and
- our compliance with legal and regulatory requirements, including the review and oversight of matters related to compliance with federal health care program requirements.

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Meetings, Attendance, and “Beyond the Boardroom”

Historically, disclosures specifying the number of board and committee meetings during the year, and the attendance records of the directors, were provided in narrative format and simply tracked SEC requirements. As demands on boards have grown, companies are expanding their disclosures to demonstrate how directors are responding to increased demands, while still serving as highly effective and engaged directors.

What to Think About

Investors want to see thoughtful, engaged, and regular board reviews of the company’s strategy, business, operations, and key risks throughout the year. They are also holding boards accountable for issues outside the traditional boundaries of a company’s business purpose. Boards are expected to integrate ESG, HCM, and other societal issues routinely into their oversight responsibilities, while at the same time maintaining a high degree of independence, integrity, competence, and efficiency in their work.

.At a minimum, investors expect a commitment to strong board attendance and engagement at regularly scheduled meetings. If directors do not attend at least 75% of their combined board and committee meetings, companies must provide an acceptable rationale for the lower attendance. In addition, to demonstrate strong independence, investors want to see boards meeting in

executive sessions without management present at regular intervals.

Investors also expect a commitment that extends beyond regularly scheduled board meetings. They expect directors to stay abreast of developments and trends real-time and that mechanisms exist to communicate with directors in-between meetings.

If a director has multiple board commitments, investors want assurances that the director can devote the time and effort necessary to serve as an effective director.

Companies should provide the precise figure for director attendance, rather than the more general statement that directors attended more than 75% of meetings. In addition to the number of board and committee meetings, companies should provide the frequency of executive sessions. If possible, companies should disclose specific measures of engagement outside of regular meetings (e.g., the number of meetings involving the lead director or

committee chairs in fulfilling their leadership duties). Many best practice companies are also explaining how directors collaborate with each other, senior leaders, and other employees; the extent of director involvement in stakeholder engagements; and how directors stay regularly informed between meetings.

We recommend including disclosures on directors’ involvement in

- onboarding and continuing education opportunities (listing key topics covered),
- external and internal business updates (including site visits and interactions with employees below the C-suite), and
- compliance or governance trainings.

This is a best practice that demonstrates directors “going beyond the boardroom” to learn about the company, its people, and their fiduciary obligations. Showing what a company does to provide its directors with current industry, technical, and operations information also helps convey that the Board and its knowledge and skills are continually growing.

In response to investor scrutiny, companies are providing more information about their assessment of director capacity and outside board commitments. If a particular director exceeds the overboarding limitations imposed by investors, companies should provide an explanation as to how the director meets obligations with the increased commitments.

Labrador Transparency Award Criteria

- The attendance rate disclosed for the entire board is precise rather than the minimum “more than 75%” requirement.
- Policies or processes related to director time commitments are disclosed.
- The board’s policies and practices related to director onboarding and continuing education is disclosed.



◀ Table of Contents Topic Table of Contents

Benchmarking Meetings, Attendance, and Beyond the Boardroom

28.0%

The attendance rate disclosed for the entire board is precise rather than the minimum "more than 75%" requirement

13.0%

The company includes a "beyond the boardroom" or "other activities section"

37.0%

The board's policies and practices related to director onboarding and continuing education is disclosed

41.0% Onboarding

46.0% Continuing Education

Key Examples

Goldman Sachs 2024 Proxy Statement

Aggregates number of meetings, executive sessions, and meetings of board leaders: emphasizes commitment beyond

CORPORATE GOVERNANCE—ITEM 1. ELECTION OF DIRECTORS
OUR DIRECTORS

David Solomon, 62
Chairman and CEO

Director Since: October 2018

Other U.S.-Listed Company Directorships

- Current: None
- Former (Past 5 Years): None

Key Experience and Qualifications

- Experienced leader across range of our businesses:** With nearly 25 years of leadership experience at our firm, he develops the firm's strategy, embodies our Core Values and commitment to client service and leverages firm-specific and industry knowledge to lead the firm and its people, including helping to protect and enhance our firm's culture and through his commitment to talent development and the diversity of our workforce.
- Deep business, operational and industry expertise:** Leverages deep familiarity with all aspects of the firm's businesses, including from his experience as President and COO, to develop, articulate and lead the execution of the firm's strategic vision, assess attendant risks and guide the firm's growth, in each case providing his insights to our Board and helping directors apprised of significant developments in our business and industry.
- Actively engaged as a primary face of our firm:** Committed to engaging with our clients and other external stakeholders, he draws upon his extensive interaction with our clients, investors and other stakeholders to communicate feedback and offer insight and perspective to our Board.

Career Highlights

- Chairman (January 2019 – Present) and Chief Executive Officer (October 2018 – Present)
- President and Chief or Co-Chief Operating Officer (January 2017 – September 2018)
- Co-Head of the Investment Banking Division (July 2006 – December 2016)
- Various positions of increasing seniority, including Global Head of the Financing Group (September 1999 – July 2006)

Other Professional Experience and Community Involvement

- Chair, Board of Trustees, Hamilton College
- Member, Board of Directors, Robin Hood Foundation
- Member, Executive Committee, Partnership for New York City
- Member, Board of Trustees, New York Presbyterian Hospital

Education

- Graduate of Hamilton College

CORPORATE GOVERNANCE—ITEM 1. ELECTION OF DIRECTORS
OUR DIRECTORS

Michele Burns, 66
Independent

Director Since: October 2011

Other U.S.-Listed Company Directorships

- Current: None
- Former (Past 5 Years): None

Key Experience and Qualifications

- Compensation, governance and risk expertise:** Leverages current and former service on the boards of directors and board committees (including compensation committees) of other public companies and not-for-profit entities.
- Human capital management and strategic consulting:** Background gained as former CEO of Mercer LLC.
- Accounting and the review and preparation of financial statements:** Gained expertise as former CFO of several global public companies.

Career Highlights

- Chief Executive Officer, Retirement Policy Center, sponsored by Marsh & McLennan Companies, Inc. (MMC), a center focused on retirement public policy issues (October 2011 – February 2014)
- Chairman and Chief Executive Officer, Mercer LLC, a subsidiary of MMC and a global leader in human resource consulting, outsourcing and investment services (September 2006 – October 2011)
- Chief Financial Officer, MMC, a global professional services and consulting firm (March 2006 – September 2006)
- Chief Financial Officer, Chief Restructuring Officer and Executive Vice President, Mirant Corporation, an energy company (May 2004 – January 2006)
- Executive Vice President and Chief Financial Officer, Delta Air Lines, Inc., an air carrier (including various other positions, January 1999 – April 2004)
- Senior Partner and risker, Southern Regional Federal Tax Practice, Arthur Andersen LLP, an accounting firm (including various other positions, 1981 – 1999)

Other Professional Experience and Community Involvement

- Advisory Council Member, former Center Fellow and Strategic Advisor, Stanford University Center on Longevity
- Former Board Member and Treasurer, Elton John AIDS Foundation

Education

- Graduate of University of Georgia (including for Masters)



Key Examples

Foot Locker 2024 Proxy Statement

Onboarding activities (1st 6 months vs. next 6 months) and continuing education

GOVERNANCE

DIRECTOR ON-BOARDING


We have a two-phase on-boarding program for new directors that is intended to educate new directors about the Company and the Board's practices:

FIRST 6 MONTHS

- Convenes with the Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Human Resources Officer, General Counsel, and other members of senior management.
- Reviews the Company's operational, financial, strategic, investor relations, risk management, governance, management succession, and responsible business plans.
- Visits our stores with senior management for an introduction to store operations.
- Meets periodically with the Non-Executive Chair and the committee chairs for an immersion into the work of the committees.
- Connects periodically with an assigned Board mentor and the Non-Executive Chair throughout the year.

SECOND 6 MONTHS

- Participates in various sessions specifically tailored to the individual director, taking into consideration their board experience, committee assignments, and tailored focus areas of our business and strategy.
- Engages in enhanced discussions with key talent regarding customer data, retail accounting and operations, and risk management.
- Meets periodically with the Non-Executive Chair throughout the year.

 FOOT LOCKER, INC.

GOVERNANCE

DIRECTOR CONTINUING EDUCATION

Director education is an ongoing process, which begins when a director joins our Board. We host quarterly Board and committee presentations to keep directors appropriately apprised of key developments concerning the following topics so they can effectively carry out their oversight responsibilities:



We also encourage all directors to attend external continuing education programs to maintain their expertise and share takeaways with the other directors concerning these programs. We reimburse directors for reasonable expenses incurred in attending continuing education programs. Our directors have attended a variety of continuing education programs, conferences, and events hosted by universities, trade groups, law firms, accounting firms, and other advisory service firms on a variety of topics, including the following:



Our directors also regularly visit our stores to engage with our Strippers, enhance their understanding of our business, witness strategy execution firsthand, and further contribute to their oversight of the Lace Up Plan.

BOARD ATTENDANCE

The Board held 9 meetings during 2023. Each individual director attended at least 85% of the aggregate of all Board and committee meetings for the committees on which they served during 2023.

The Board holds regularly-scheduled executive sessions of independent directors in conjunction with each Board meeting. Ms. Young, as Non-Executive Chair, presides at these executive sessions, as well as at Board meetings.

Directors are expected to attend annual meetings. The annual meeting is typically scheduled on the same day as a quarterly Board meeting. In 2023, all of the directors attended the annual meeting.

2024 PROXY STATEMENT 



Key Examples

Cardinal Health 2023 Proxy Statement

Contains a detailed explanation of the board's annual review of directors' outside board commitments

GE Aerospace 2024 Proxy Statement

Contains a visual overview of the cadence of a typical board meeting

Walgreens Boots Alliance 2024 Proxy Statement

Really effective description in the beginning section of the proxy about the board's commitment to the company

CORPORATE GOVERNANCE
Our Board's Composition and Structure

Board Diversity

Our Corporate Governance Guidelines provide that the Board seeks to achieve diversity of professional and personal backgrounds on the Board, including race and gender diversity. We believe that our Board nominees reflect an appropriate mix of skills, experience, and backgrounds and strike the right balance of longer serving and newer directors.

Our Corporate Governance Guidelines provide that, as part of the search process for each new director, the Governance and Sustainability Committee includes, and instructs any search firm to include, women and racially and ethnically diverse candidates in the pool from which candidates are selected. See the director skills matrix on page 21 for the self-identified gender and race and ethnicity of our director nominees.

Director Retirement

The Governance and Sustainability Committee and the Board believe that setting a retirement age for Cardinal Health directors is advisable to facilitate the addition of new directors and, in turn, refresh the Board's composition. Accordingly, our Corporate Governance Guidelines provide that a director will not be nominated for re-election after their 75th birthday.

Additional Board Service

Directors are expected to commit sufficient time and attention to the activities of the Board. In accordance with our Corporate Governance Guidelines, except as approved by the Board:

- directors who serve as executive officers of a public company, including Cardinal Health, should not serve on more than one public company board in addition to our Board; and
- other directors should not serve on more than three public company boards in addition to our Board.

In addition, no director who is a member of our Audit Committee may, at the same time, serve on the audit committee of more than two other public companies, unless the Governance and Sustainability Committee determines that such simultaneous service would not impair each director's ability to effectively serve our Audit Committee.

Directors must advise the Chairman of the Board, the Chair of the Governance and Sustainability Committee, and the Corporate Secretary in advance of any appointment to an audit committee, a committee chair position, a lead director position, or a board chair position on any other public company board.

Our Corporate Governance Guidelines include a formalized process in which the Governance and Sustainability Committee conducts an annual review of director capacity and outside public company board commitments. During this annual review, the Governance and Sustainability Committee may consider all factors it deems to be relevant, including the following:

- whether the director is currently employed or retired from full-time employment;
- the number of other boards on which the director sits and the commitment levels and time demands of such other boards;
- the role of a director on other boards (with consideration given to public company board leadership positions);
- any industry or other commonalities between outside boards that aid in the director's efficiencies serving on such boards; or
- any other outside commitments;
- individual contributions at our Board and committee meetings;
- peer review feedback from directors throughout the year (if any) and the results of the annual Board evaluation; and
- the director's general engagement, effectiveness, and preparedness.

The Governance and Sustainability Committee conducted a review of director capacity for our 2024 director nominees and affirms that they are compliant with our outside board commitments policy.

CARDINAL HEALTH 2024 Proxy Statement | 29

Board Operations

Full Board
7 meetings in 2023

Independent Director Meetings

The independent directors meet periodically in executive sessions at scheduled Board meetings. They may have other special meetings throughout the year. These executive sessions are designed to promote candor and discussion of matters in a setting that is independent of the Chairman and CEO. The lead director chairs each of these executive sessions.

Chairman
H. Lawrence Culp, Jr.

Lead Director
Thomas Horton

2023 Areas of Focus

- Long-term strategy, including oversight of our strategic transformation
- Business operating and performance reviews, including visits to GE Aerospace and GE Vernova business facilities and factories
- Readiness and execution of planned spin-offs
- Strategy for the energy transition and climate change
- Capital structure and liquidity, particularly in connection with our plan to create three investment grade rated public companies
- Management succession planning
- Enterprise risk management

A Typical GE Board Meeting

During 2023, the Board held seven regularly scheduled meetings. Five regularly scheduled meetings were held in person and two regularly scheduled meetings were held virtually, and the schedules were adjusted to accommodate director participation from different time zones.

1 BEFORE THE MEETING

Board committee chairs: prep meetings with management and auditors
Management: internal prep meetings

2 THURSDAY (DAY 1)

Board committee meetings & Board meeting
Evening: informal gathering with senior business leaders and/or Board working dinner

3 FRIDAY (DAY 2)

Daytime: full Board meeting (including reports from each committee chair) followed by an executive session, also periodic independent director sessions

4 AFTER THE MEETING

Management: debrief sessions to discuss & respond to Board follow-up items

Our Board recognizes that its oversight of our strategic priorities and responsibility to GE shareholders requires a personal and professional commitment that extends well beyond regularly scheduled Board meetings. Ongoing and meaningful engagement with the business is critical to staying informed and provides the type of insight that allows our directors to provide effective guidance to our leadership team and to engage in constructive dialogue with each other. During 2023, in addition to the regularly scheduled Board and committee meetings, directors participated in business and strategy review sessions and visited various GE sites and facilities.

Commitment to ESG excellence

Governance

2023 board focus areas

- Long-term strategy and business portfolio reviews, including oversight of our strategic transformation and capital program
- Board refreshment and director recruiting
- Management succession planning and human capital management
- Macroeconomic conditions, business operations and performance reviews
- Capital structure and liquidity
- Optical litigation matters
- Enterprise risk management

Board commitment

Our Board is committed to its oversight of the Company and its responsibility to WBA stockholders. Ongoing and meaningful engagement with the business is critical to staying informed and provides the type of insight that allows our directors to provide effective guidance to our leadership team and to engage in constructive dialogue with each other. Each member of the Board demonstrated their personal and professional commitment to the Company in fiscal 2023, which extended well beyond regularly scheduled Board meetings.

Number of board meetings in fiscal 2023	Additional board engagement in fiscal 2023
Board 17	Action by Written Consent 4
Audit 8	Compensation 8
Compensation 5	Finance/Technology 2
Finance/Technology 4	Ongoing Collaboration - Prepaid interactions with each other, management and key employees on topics such as strategy, performance, risk management and human capital
Nominating/Governance 6	Management Reports - Written and verbal updates on significant Company and industry developments
	Director/Executive Search Firms and Candidates - Regular communication and coordination with search firms and director and executive candidates
	Stakeholder Engagement - Engagement with key stakeholders, including major stockholders
	Site Visits - First hand exposure to our business and interaction with employees at all levels
	Director Education - Executive-led orientation for new directors covering key functions and ongoing education for all directors

Board meeting preparation

- Lead Independent Director and Executive Chairman meet with management to review Board and Committee agendas 5-10 weeks in advance of the next regular meeting and meet again 2-3 weeks in advance of the meeting to review materials
- Each Committee Chair reviews their respective agendas 5-10 weeks in advance of the next regular meeting and meet again with management and key presenters, including external auditors, 2-3 weeks in advance of the meeting to review materials
- Board and Committee materials are reviewed following the meetings and sent to the Board and Committees 7 days prior to the meeting

Key governance practices

- Annual Election of All Directors;
- Majority Voting for All Directors in Uncontested Elections;
- Consentive Voting for Election of Directors;
- No Supermajority Voting Provisions;
- No Stockholder Rights Plan ("Poison Pill");
- Stockholder Right to Request Special Meetings at 20%;
- Stockholder Right to Act by Written Consent;
- Annual Board and Committee Evaluation Process;
- Periodic Third-Party Board Evaluations;
- Robust Lead Independent Director responsibilities;
- Board Composition Requirement of Two-Tier Independent Directors;
- 26, 3-New Proxy Access Bylaw;
- Proactive Board and Committee refreshment with focus on diversity and the optimal mix of skills and experience;
- Regular Executive Sessions of Independent Directors;
- Enhanced Commitment to Diversity, Including Women and Minorities, in Corporate Governance Documents;
- Strategic and Risk Oversight by Board and Committees;
- Commitment to Sustainability at the Senior Executive and Board Levels;
- Stock Ownership Guidelines for Executives and Directors;
- Commitment to Sustainability at the Senior Executive and Board Levels;
- Stock Ownership Guidelines for Executives and Directors;
- Policies Prohibiting Hedging and Short Sales of Stock by Directors, Executives and Senior Employees; and
- Robust Stockholder Engagement.

2024 Proxy Statement | 7



Shareholder Engagement

Shareholder engagement disclosures have been a staple for several years. While details related to a company's engagement efforts are not technically required, companies have been providing this information to demonstrate transparency and responsiveness to shareholder priorities or concerns. The details disclosed by companies typically include, among other things, the percentage of shareholders engaged, company representatives involved, topics discussed, feedback received, and actions taken in response.

What to Think About

Investors are demanding transparency and accountability on issues outside the traditional role of a corporation. In the past, engagements primarily focused on governance and compensation practices, especially the annual meeting ballot items for directors, say-on-pay, and shareholder proposals. Likewise, disclosures initially focused on investor sentiment related to director elections and executive compensation.

Over the last few years, engagements have expanded to include a company's responses to societal issues, such as those related to pay equity, diversity and inclusion, and climate change. As investors' focus areas continue to broaden, engagement programs are expanding to include a larger group of stakeholders. Company spokespersons are also changing and now may include the company's subject matter experts on the myriad ESG areas of investor concern.

Best practice companies detail the number and types of engagements during the year, company participants, topics discussed, feedback received, and actions taken in response. We recommend using visuals for presenting the who/what/when of engagement. We think it is especially important to highlight the "what" - the most important topics discussed with shareholders - as it can demonstrate the progression of investor feedback from year to year. Even when there are no pressing topics, we recommend including some discussion of responsiveness to stockholder feedback. At the very least, a cross-reference to the overview of governance and compensation practices can be an effective way to demonstrate a base level of responsiveness to shareholder interests.

If there is significant opposition to the company's compensation program, we recommend a separate shareholder engagement call out in the compensation section, apart from the normal engagement disclosures.

Some companies include engagement calendars or timelines, that detail month-by-month the touchpoints a company has with its investors. It demonstrates the continuous, year-around nature of the company's practices. To demonstrate broad-based value creation, we believe it is important to acknowledge ongoing dialogue with other stakeholders (e.g., lenders, rating agencies, etc.), in addition to stockholders. This disclosure is not expected to be as extensive as found in ESG reports but recognizes that feedback from a wide range of stakeholders is important to strategic decision-making (and reporting priorities).

Separately, some companies are continuing to highlight the effectiveness of virtual meeting formats, including the number of attendees and questions asked, to demonstrate the engagement advantages of a virtual meeting.

Labrador Transparency Award Criteria

- The shareholder engagement section includes, at a minimum: who from the company participated; how many shareholders were contacted (number of shareholders or percentage of shares outstanding); type of engagement; and topics discussed.
- The shareholder engagement section includes a graphic or other visual to show the timing of disclosed engagement efforts.
- The shareholder engagement section includes feedback received from shareholders and actions/responses taken in recent years.



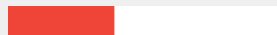
Benchmarking

Shareholder Engagement

Location of shareholder engagement discussion:

40.0%

In the proxy summary/introductory pages



65.0%

In the governance section



55.0%

In the compensation section



The shareholder engagement section presents:

76.0%

Topics discussed



77.0%

Who from the company was involved
(Board, management or both)



73.0%

Percentage of shareholders contacted



56.0%

Actions/responses taken in
recent years



50.0%

Feedback received from
shareholders





Key Examples

AIG 2024 Proxy Statement



Includes key disclosures and identifies number of meetings conducted by IR group

Choice Hotels 2024 Proxy Statement



Includes a stand-alone section on engagement related to executive compensation in response to low say on pay support

Corporate Governance Shareholder Engagement

Shareholder Engagement

We have developed a substantial engagement program that ensures an active, constructive and ongoing dialogue with shareholders and other stakeholders throughout the year. These meetings strengthen our relationship with our shareholders and reinforce our commitment to incorporate shareholder feedback into various decisions made by the Board and management.

Year Round Shareholder Engagement Program

Summer

- Analyze results of our annual meeting and review the key takeaways from proxy season engagement
- Identify developments in corporate governance, executive compensation, sustainability and voting trends

Fall

- Management and Lead Independent Director conduct engagement meetings with shareholders
- Obtain feedback on governance, executive compensation, sustainability and other matters

Winter

- Review feedback with meetings with shareholders to inform the Board's continuous review of governance and executive compensation
- Implement appropriate governance and compensation practice changes

Spring

- File proxy statement, disclosing changes based on shareholder feedback
- Conduct follow-up conversations with shareholders to address important annual meeting matters, as needed

Our Board prioritizes fostering and sustaining long-term, positive relationships with our shareholders and maintaining their trust. Direct engagement with shareholders helps us gain useful feedback on a wide variety of topics, including corporate governance and Board practices, executive compensation, succession planning, business strategy and performance and related matters. Shareholder feedback also helps us better tailor our disclosures to address the interests and inquiries of shareholders.

In addition, our shareholder engagement efforts are complemented by outreach conducted by members of senior management through our Investor Relations department as they regularly meet with shareholders and participate in investor conferences in the U.S. and abroad.

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Corporate Governance Shareholder Engagement

2023 Shareholder Engagement

During the spring and fall of 2023 as well as 2024, we continued our efforts to engage consistently and productively with our shareholders. Our Lead Independent Director participated in some of these engagement meetings, alongside our General Counsel, Chief Human Resources & Diversity Officer, Head of Executive Compensation, Head of Investor Relations and Chief Sustainability Officer. These meetings were intended to strengthen our relationship with our shareholders and develop a regular cadence for sustained outreach that positions us to engage consistently and productively with shareholders.

Reached out to 33 investors representing **68.9%** of our shares outstanding

Held 33 meetings with investors owning more than **54.3%** of our shares outstanding

During 2023, we met with **each shareholder** and OMSC Chair who accepted our invitation

Lead Director and OMSC Chair **participation**

In addition to engagement with respect to governance, executive compensation and sustainability topics, in 2023, our Investor Relations department led over 500 meetings with over 150 equity shareholders representing approximately 70 percent of our shares outstanding. Investor presentations are made available in the Investor—Webcasts and Presentations section of our website at www.aig.com.

Objectives	Key Topics Discussed	Key Messages from Shareholders	Board Responsiveness
<ul style="list-style-type: none"> Foster, promote and maintain positive relationships with shareholders Solicit feedback on topics that are of interest to our shareholders 	<ul style="list-style-type: none"> Corporate governance enhancements Role of Lead Independent Director and combined Chairman & CEO role Talent and succession planning Executive compensation, 2023 say on pay vote outcome Long-term incentive equity mix for Chairman & CEO Sustainability 	<ul style="list-style-type: none"> Expressed very high regard for Chairman & CEO performance Noted that negative 2023 say on pay vote reflected concerns with quantum and structure of one-time award to Chairman & CEO Responded positively to enhanced Lead Independent Director responsibilities and revised committee charters and governance guidelines Encouraged more disclosure regarding talent and succession planning 	<ul style="list-style-type: none"> Committed that special, one-time awards will not be used absent extraordinary circumstances, such as in connection with strategic transactions, contract extensions/renewals and for executive recruitment "make whole" awards, sign-on bonuses and promotions Enhanced disclosure regarding talent and succession planning

Shareholder feedback is communicated directly to our Board which, in turn informs the Board's discussions on a variety of topics. The Company and the Board remain committed to consistent and substantive shareholder engagement and to incorporating shareholder perspectives in our governance and compensation decisions.

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Shareholder Outreach and Engagement

Our Human Capital and Compensation Committee (the "Committee") values feedback from our shareholders, whom we regularly engage with on a broad range of topics. In May 2022, we received 99% support for our say-on-pay advisory vote, which we believe represented strong support for our compensation program. After receiving 87% support for our say-on-pay advisory vote in May 2023, we conducted extensive and focused engagement with our shareholders, which we describe in detail below.

OUR SHAREHOLDER OUTREACH INITIATIVE

During 2023, the Committee led an extensive outreach to seek shareholder feedback on our executive compensation program. This engagement included reaching out to shareholders representing more than 90% of shares outstanding, including many who voted against say-on-pay in 2023. We solicited feedback on the key issues that affected the say-on-pay voting decision in two phases. Prior to the 2023 annual meeting, we gathered shareholder feedback to develop an initial understanding of potential concerns. We then used the subsequent Fall 2023 outreach to speak with shareholders again, to develop a deeper understanding of the perspectives that contributed to the lower than usual level of say-on-pay support and expectations for Committee responsiveness.

FY23 EXECUTIVE COMPENSATION SHAREHOLDER OUTREACH AT-A-GLANCE

Spring 2023 Pre-annual meeting	Fall / Winter 2023
In Spring, we held discussions with shareholders representing approximately 54% of shares outstanding*	In Fall and Winter post-Annual Meeting, we reached out to shareholders representing more than 90% of shares outstanding and held discussions with shareholders representing more than 66% of shares outstanding** as well as with proxy advisory firms

* These numbers include certain equity affiliated shares. If including certain equity affiliated shares, in Spring 2023, discussions were held with 34% of shares outstanding and in Fall / Winter 2023, discussions were held with holders of more than 44% of shares outstanding.

** The Committee Chair was absent from one fall meeting, resulting in 65% instead of 90%.

KEY THEMES FROM SHAREHOLDER ENGAGEMENT

During our engagement, we heard a range of different perspectives on our executive compensation program, all of which were, and will continue to be, taken into consideration by the Committee.

While we received considerable positive feedback about the overall design and structure of our program, consistent with our strong say-on-pay results in prior years, the feedback across these two rounds of shareholder engagement made clear that the most significant area of shareholder concern impacting the 2023 say-on-pay advisory vote was related to our awarding of Strategic Leadership Alignment Grants to the CEO and CFO.

As part of our Fall 2023 outreach, we also reviewed the Committee's preliminary response to concerns about the Strategic Leadership Alignment Grants and other areas of feedback, and our participating shareholders were generally supportive of the Committee's proposed actions. The Committee's full response, following discussions with participating shareholders, is summarized below.

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Table of Contents Performance Highlights

Primary area of feedback	What We Heard	How We Responded
	<ul style="list-style-type: none"> Concerns about the size and structure of the Strategic Leadership Alignment Grants Concerns about the size of the restricted stock portion of the Strategic Leadership Alignment Grants and its vesting being time-based 	<ul style="list-style-type: none"> The Committee believes such front-loaded grants have been and should be used only sparingly and confirmed that any future similar grants will not be made absent extraordinary circumstances. In addition, the Company highlighted that the grants have significant back-end vesting, with the most significant occurring in year 5 (80%). The Committee viewed the grants as long-term performance-based as they focused the CEO and executive team on delivering long-term results as well as enabled the CEO to proactively develop a strong internal team tied to the strategic plan and build leadership succession. In relation to size, the Committee expects reduced annual LTI in 2022 through 2026 (as evidenced in this year's awards).
	<ul style="list-style-type: none"> Desire for more performance-based compensation 	<ul style="list-style-type: none"> In relation to outstanding awards at the end of 2022, more than 60% of the awards of each recipient are "performance-based." The Committee intends to continue to deliver compensation through significant performance-based compensation in future annual grants.
	<ul style="list-style-type: none"> Interest in whether we are returning to our more typical approaches to incentive compensation 	<ul style="list-style-type: none"> We confirmed that the one-time shift in LTI was for a few targeted and key executives at a particular time. Similar grants are not expected in the future absent extraordinary circumstances.
	<ul style="list-style-type: none"> General support for the structure and overall design of our program 	<ul style="list-style-type: none"> The Committee has returned to our historic approach to delivering pay for performance, consistent with the focused feedback we received from investors.

The Strategic Leadership Alignment Grants were awarded in extraordinary circumstances, to proactively encourage partnership with our CEO to develop a strong internal team tied to the Company's strategic plan and build leadership succession. In considering what process would be followed in the event of future extraordinary circumstances, the Committee confirmed that we would follow a careful and deliberate approach that takes into account shareholder perspectives and that the Company would provide robust disclosure of the Committee's rationale.

6 CHOICE



Key Examples

Analog Devices 2024 Proxy Statement

Includes key disclosures, including engagement cycle and detailed what we heard/how we responded infographics

The Coca-Cola Company 2024 Proxy Statement

Includes month-by-month engagement calendar

Shareholder Engagement

We conduct extensive investor outreach throughout the year involving our independent directors, senior management, investor relations, legal and human resources departments. This helps management and our Board of Directors understand and focus on the issues that matter most to our shareholders, so AIG can address them effectively.

Since our inception as a public company, we have maintained an active engagement program with our shareholders, meeting with them extensively throughout the year as part of our investor outreach efforts.

HOW WE ENGAGE

Winter	Spring	Summer	Fall
<ul style="list-style-type: none"> Publish Annual Report and Proxy Statement Conduct active outreach with top investors to discuss items to be considered at the annual meeting, if needed, given matters to be considered Annual Meeting 	<ul style="list-style-type: none"> Evaluate proxy season outcome and trends, corporate governance best practices, and regulatory developments Publish annual ESG report to inform stakeholders, including investors, about recent developments relating to ESG matters 	<ul style="list-style-type: none"> Conduct active outreach with top investors and solicit feedback on governance topics, including ESG and compensation Share investor feedback with our Board of Directors 	<ul style="list-style-type: none"> Conduct active outreach with top investors and solicit feedback on governance topics, including ESG and compensation Share investor feedback with our Board of Directors

WHAT WE DISCUSSED

Topics covered in these meetings included:

- Executive compensation, including equity awards
- Corporate governance matters, including Board structure and refreshment
- Other ESG topics, including resiliency, climate, value chain management, human rights, risk management, sustainability programs, diversity, equity, and inclusion, and human capital management

During fiscal year 2023, as part of our annual outreach program, we reached out to shareholders that collectively represented approximately 48% of our total shares outstanding and proxy advisory firms, with an invitation to have discussions with their corporate governance teams.

Shareholders representing approximately 33% of our total shares outstanding (up from approximately 33% in fiscal year 2022) and proxy advisory firms accepted our engagement invitation.

The Chair of our Compensation and Talent Committee participated in meetings with shareholders representing approximately 22% of our total shares outstanding and in meetings with proxy advisory firms.

These meetings included members of our legal, ESG, compensation, diversity, equity, and inclusion, and investor relations organizations.

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We reviewed the key takeaways from these meetings with our Board of Directors, with the goal of continuing to evolve our corporate governance practices to best meet the needs of AIG and our shareholders. While some of the feedback received has led to enhancements to our practices and disclosures, we also received positive feedback regarding certain practices that reaffirmed that our programs continue to be effective from our shareholders' perspective. For example:

WHAT WE HEARD	WHAT WE DID
EXECUTIVE COMPENSATION Design of Program Generally	Approach for Fiscal Year 2023 and Beyond <ul style="list-style-type: none"> Shareholders were generally pleased with the overall design and framework of our executive compensation program and recommended that we continue to tie compensation to challenging performance goals. Shareholders noted that they prefer compensation programs in which the majority of compensation is tied to performance. While some shareholders expressed a concern with the value of the new hire award granted during fiscal year 2022 to one of our NEOs, most shareholders understood the rationale behind the new hire award and appreciated the disclosures in our 2023 Proxy Statement and additional supplemental proxy materials. Some shareholders asked why we set one-, two-, and three-year cumulative targets for our three-year Financial Metric PPSUs. A few shareholders recommended increasing the difficulty of achievement for target performance of our Relative TSR PPSUs. Increased the percentile achievement required for target performance of our Relative TSR PPSUs to the 50th percentile, up from the 30th percentile, beginning with the Relative TSR PPSUs granted in fiscal year 2023.
NEW HIRE AWARD TO NEO	<ul style="list-style-type: none"> Did not make significant changes to overall design and framework of our executive compensation program. Increased the weighting of our CEO and Chair, Mr. Roche's, annual long-term incentive compensation that is tied to challenging long-term performance goals to 75%, up from 65% in fiscal year 2022. Did not grant any special-of-cycle awards during fiscal year 2023 and enhanced our disclosure explaining individual executive compensation decisions and rationale in the Proxy Statement. To the extent the Compensation and Talent Committee and Board of Directors determine that it is in our best interest to grant similar awards in the future, we will transparently describe the rationale and decision-making process.
Design of Equity Awards	<ul style="list-style-type: none"> Some shareholders asked why we set one-, two-, and three-year cumulative targets for our three-year Financial Metric PPSUs. A few shareholders recommended increasing the difficulty of achievement for target performance of our Relative TSR PPSUs. Increased the percentile achievement required for target performance of our Relative TSR PPSUs to the 50th percentile, up from the 30th percentile, beginning with the Relative TSR PPSUs granted in fiscal year 2023.

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WHAT WE HEARD	WHAT WE DID
EXECUTIVE COMPENSATION Compensation Linked to ESG	Approach for Fiscal Year 2023 and Beyond <ul style="list-style-type: none"> ESG is more than just an initiative at AIG – it is critical to our strategy. Our Leadership Team understands the close relationship between ESG, financial performance, and long-term sustainable growth and incorporates it into our strategy. While the Compensation and Talent Committee continues to evaluate whether to link compensation elements to ESG metrics, it determined to make no changes during fiscal year 2023 given the intense company focus on ESG performance as part of its short- and long-term strategy. The financial metrics underlying our incentive compensation and PPSUs not only drive our Leadership Team to achieve those specified financial metrics, but also ESG performance given the strong alignment between the two.
CORPORATE GOVERNANCE Combined CEO and Chair Role	<ul style="list-style-type: none"> Shareholders appreciated that our Board of Directors enhanced the responsibilities of the Lead Independent Director under our Corporate Governance Guidelines. Our Board of Directors believes the combined CEO and Chair role continues to be the appropriate structure given our strategic objectives.
Board Refreshment and Tenure	<ul style="list-style-type: none"> Our Board of Directors continues its focus on refreshment practices to align with our strategic vision and objectives, including welcoming Mr. Jennings to the Board of Directors in June 2023 and Dr. Henry in December 2023. Mr. Jennings brings significant experience in corporate governance, enterprise growth, innovation, mergers and acquisitions, organizational transformation, and strategy across a broad set of industries to our Board of Directors. Dr. Henry brings foreign affairs, global economics, and international finance experience to our Board of Directors. In January 2024, our Board of Directors unanimously appointed Mr. Jennings as our Lead Independent Director, confirming the Board of Directors' practice of having a strong and effective independent partner to our CEO and Chair.
ESG MATTERS ESG Report and Targets	<ul style="list-style-type: none"> Shareholders commended our ESG practices and reporting, including enhanced transparency and ambitious environmental targets, but expressed a desire to see all metrics in one place. Continued to enhance our disclosures in our 2022 ESG Report issued in July 2023, adding robust and consolidated disclosure covering all of our ESG metrics in one table. Added a new target to reduce overall water withdrawal for our operations by 50% normalized to production output.
Supply Chain and Product Diversion	<ul style="list-style-type: none"> Shareholders inquired about our supply chain and product diversion compliance programs and practices. Enhanced our product diversion compliance programs by expanding our proactive monitoring and review processes to inhibit prohibited resale of our products and formed a team focused on gray market mitigation efforts.

We intend to continue our shareholder outreach efforts on an ongoing basis and look forward to continuing to engage with our valued shareholders.

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Shareowner Engagement

Our relationship with shareowners is an important part of our Company's success. The Board and management believe they best execute their duties when they proactively listen to, seek to understand, and consider the opinions of our shareowners. We engage with our shareowners and the broader corporate governance community through a year-round engagement program, which is managed and overseen by the Board. Our engagement program is designed to address questions and concerns, provide perspective on Company policies and practices, seek shareowner input and incorporate feedback, as appropriate.

WHO WE ENGAGE	HOW WE ENGAGE
We engage with a wide range of constituents, including: <ul style="list-style-type: none"> Institutional shareowners Retail shareowners Proxy advisory firms ESG rating firms Regulators Sustainability and governance thought leaders 	We pursue multiple avenues for engagement, including: <ul style="list-style-type: none"> Quarterly investor calls and other investor-led conferences and presentations Company-hosted investor meetings, both in-person and virtual Annual Meeting of Shareowners Various quarterly and annual reporting and disclosures Participation in corporate governance events and with governance-focused organizations providing valuable opportunities to engage with investors, peer companies, policy makers and others to promote knowledge and constructive dialogue (these include the Council of Institutional Investors, Harvard Corporate Governance Roundtable, and Milken Center for Global Markets and Corporate Ownership, among others)
WHO IS INVOLVED	TOPICS OF ENGAGEMENT
<ul style="list-style-type: none"> Independent directors Executive leadership team Senior management Subject matter experts 	Our interactions cover a broad range of business topics, including Board composition and structure; executive compensation; business strategy; business performance and execution; sustainability; diversity, equity and inclusion; human capital management; and Company culture.

In 2023, we engaged with shareowners collectively representing a majority of our Common Stock. Below is a selected sample of our engagements with shareowners and the broader corporate governance community.

2023 COMMUNICATION AND ENGAGEMENT HIGHLIGHTS		
February <ul style="list-style-type: none"> 4th Quarter and Full Year 2022 Earnings Publication of 2022 Form 10-K CAGNY Investor Conference 	June <ul style="list-style-type: none"> Deutsche Bank Global Consumer Conference 	October <ul style="list-style-type: none"> 3rd Quarter Earnings Corporate Governance Fall Engagement Summit with Institutional Investors Milken Center for Global Markets and Corporate Ownership Forum Interfaith Center on Corporate Responsibility Annual Event
March <ul style="list-style-type: none"> Publication of 2023 Proxy Statement Council of Institutional Investors Conference Harvard Corporate Governance Roundtable Redburn CEO Conference 	July <ul style="list-style-type: none"> 2nd Quarter Earnings 	November <ul style="list-style-type: none"> Harvard Corporate Governance Roundtable 2023 Morgan Stanley Global Consumer and Retail Conference
April <ul style="list-style-type: none"> 1st Quarter Earnings Publication of 2022 Business & Sustainability Report Shareowner outreach regarding voting matters in the 2023 Proxy Statement 2023 Annual Meeting of Shareowners 	September <ul style="list-style-type: none"> Berleys Global Consumer Staples Conference Council of Institutional Investors Conference 	December <ul style="list-style-type: none"> 2023 Morgan Stanley Global Consumer and Retail Conference

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Key Examples

Pfizer 2024 Proxy Statement

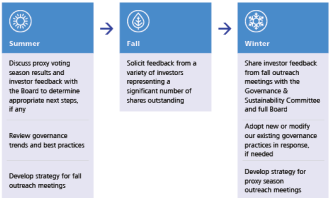
Detailed section on feedback received and actions taken

Tanger 2024 Proxy Statement

Includes a section on engaging with other stakeholders

Shareholder Outreach

OUR ENGAGEMENT PROCESS



INVESTOR OUTREACH

Investor feedback is an important factor for Pfizer and the Board and essential to maintaining our strong governance practices. Throughout the year, we routinely seek opportunities to engage with our investors to hear their views concerning Pfizer's corporate governance policies and practices, including ESG, and to discuss current and emerging trends.

During 2023, we contacted our 50 largest and some smaller, but engaged, institutional investors, representing approximately 44% of our shares outstanding, and invited them to engage in a dialogue on various topics. We met with over 30 investors, representing approximately 33% of our shares outstanding. In addition, we engaged with proxy advisory firms to hear their perspectives on governance and ESG topics and the prior and upcoming proxy seasons. While the engagements were primarily conducted by management, Board members also participated. During 2023, Mr. Echevarria, Chair of the Governance & Sustainability Committee, Mr. Narayan, Lead Independent Director, and Mr. James Smith, Chair of the Compensation Committee, participated in certain discussions with investors. Furthermore, during the proxy season, we engaged with every shareholder proposal proponent to hear their concerns, aiming to reach mutual agreements to address them.

In addition to connecting with our institutional investors, we also remain responsive to our retail investors' and other stakeholders' inquiries. The past year, we continued our outreach to proactively include retail investors through a retail investor program, led by Corporate Affairs. The program, "Investor Insights," is designed to create a more cohesive relationship with Pfizer's retail holders by sharing certain informative content regarding Pfizer's corporate strategy through digital platforms.

In February 2024, we hosted an "Oncology Innovation Day," during which Pfizer business executives and scientific leadership outlined our strategic priorities for the newly formed Pfizer Oncology organization.

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Summary of Certain 2023 Shareholder Discussions

During our discussions, we strive for a collaborative approach and a variety of perspectives, which helps inform our understanding of stakeholder interests and motivations and fosters a mutual understanding of governance and related priorities. Items on the meeting agendas for 2023 covered a range of topics, including the Board, human capital, executive compensation, letters on expenditures, sustainable business risks and climate change. Please see below for highlights from our discussions.

Board of Directors: Investors generally responded positively to the composition and refreshment of the Board. Some investors asked about skills the Board may seek in future candidates and the timing of any upcoming retirements. We addressed questions regarding the rotation process for Committee Chairs and members, as well as the Board's annual evaluation process, which involved the use of a third-party provider in 2023. Most investors were pleased with our current level of Board gender diversity, which stands at 33%; however, a few expressed a preference for a higher percentage. Some investors inquired whether the Board anticipated the need for any new skills given the company's deepening focus on oncology. Finally, we sought investor feedback on our proxy disclosures, especially regarding the Board. Investors provided positive feedback; however, a few investors requested more details about Director skills and the importance of those skills to our business.

Action taken: Feedback was shared with the Governance & Sustainability Committee and the full Board. See enhanced disclosures regarding Board composition and Director skills throughout this Proxy Statement.

Human Capital: Investors expressed interest in Pfizer's diversity, equity, and inclusion (DEI) goal, as well as our practices regarding pay equity. They inquired whether any changes were planned in response to the scrutiny impacting DEI programs. We were also asked about colleague morale in light of the challenges and opportunities facing our business during the year. We received questions regarding our plans to conduct a racial equity assessment, as well as requests for updates on our progress and the expected publication date for the results.

Action taken: Feedback was shared with the Governance & Sustainability Committee. Pfizer intends to publish the results of a racial equity assessment in the spring of 2024, as per our agreement with the Service Employees International Union (SEIU). The SEIU submitted a shareholder proposal requesting the assessment in 2022. For additional information concerning our DEI initiatives and progress, please see Pfizer's 2023 Impact Report and our website at <https://www.pfizer.com/about/responsibility/diversity-and-inclusion>. Please note that these documents are not a part of our proxy solicitation materials.

Executive Compensation: We discussed the various elements of the executive compensation program. Investors asked if the Compensation Committee was considering any modifications to the executive compensation program in 2024. Investor feedback remained positive regarding the use of ESG metrics in the short-term incentive plan. Some investors expressed interest in seeing ESG include additional ESG metrics, such as ESG metrics in "in the future." A few investors inquired about the compensation packages for certain departing senior executives, and investors requested that we provide details in our 2024 Proxy Statement.

Action taken: Feedback was shared with the Compensation Committee and the Governance & Sustainability Committee. The Compensation Committee determined in early 2024 that ESG metrics will remain unchanged and continue to be included in our short-term incentive program. Details concerning the departures of senior executives and related compensation decisions are included in this Proxy Statement. Please see the "Compensation Discussion and Analysis" section for additional information.

Political Expenditures: A few investors asked about our political contributions and lobbying activities and disclosures. Some were interested in discussing the shareholder proposal requesting a congruency report, voted on at the 2023 Annual Meeting of Shareholders, as well as our discussions with the shareholder proponent. Overall feedback was positive about our existing disclosures, including the company's "Industry Associations - Congruency Report." Since the report was originally published in late 2021, investors asked about a timeline for expected updates. Investors were also interested in discussing the impact of the Inflation Reduction Act of 2022 on our business.

Action taken: Feedback was shared with the Governance & Sustainability Committee. Pfizer published an updated "Industry Associations - Congruency Report" in early 2024. For additional information, please visit our website at <https://www.pfizer.com/about/programs-policy/political-partnerships>.

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Sustainable Business Risks: Investors reinforced their expectation that our ESG priorities remain balanced and aligned with our business priorities. We received some questions about Pfizer's process to ensure product quality and safety, including Board and Committee oversight. We explained that the Regulatory and Compliance Committee has oversight over product quality, safety, compliance and risk management across R&D and Medical, Manufacturing and Supply, and Commercial. Some investors expressed interest in viewing further details about our product quality and safety outcomes. We explained that patient health and safety are foundational to all we do and shared information about how we maintain high standards in product quality and safety through effective quality management systems and processes, including how product quality and safety performance indicators are regularly monitored to proactively identify opportunities for continuous improvement.

Action taken: Feedback was shared with the Governance & Sustainability Committee. Pfizer's 2023 Impact Report provides information on our quality management system, including inspection outcomes data. We continue to evaluate and update this reporting annually. Please note that the 2023 Impact Report is not a part of our proxy solicitation materials.

Climate Change: We received questions concerning Pfizer's 2040 Net-Zero goal, which was announced in June 2022. Overall, investors were pleased with Pfizer's response to climate change, and were interested in discussing our near-term Scope 1 and 2 initiatives to help achieve our goal, including partnering with our supply chains and increasing our reliance on renewable energy.

Action taken: Feedback was shared with the Governance & Sustainability Committee. For additional information concerning progress in 2023 in achieving Pfizer's ESG strategy and climate goals, please see Pfizer's 2023 Impact Report. Please note that the 2023 Impact Report is not a part of our proxy solicitation materials.

SHAREHOLDER INQUIRIES

We communicate with our shareholders through various platforms, including via our corporate website, digital and print media, webcasts and live events, including our annual meeting of shareholders, investor presentations and healthcare industry presentations. In 2023, in addition to meeting with institutional investors, we responded to more than 800 inquiries from individual shareholders sent to the Board or the Office of the Corporate Secretary.

At each Governance & Sustainability Committee meeting, we share investor and other stakeholder feedback directly with the Committee. We view communication between our shareholders and the Board as a dialogue and, when appropriate, members of our Board engage directly with our shareholders.

How to Communicate with Our Directors

Shareholders and other interested parties may communicate with any of our Directors, including the lead independent Director and the Audit Committee Chair, as follows:

By mail: Write to the Corporate Secretary, Pfizer Inc., 66 Hudson Boulevard East, New York, NY, 10001-2192, or

By e-mail: Go to Pfizer's website at <https://investors.pfizer.com/investors/Corporate-Governance/Contact-Our-Directors/default.aspx>.

Shareholder communications are distributed to the Board, or to any individual Director or Directors, as appropriate, depending on the facts and circumstances outlined in the communication. The Board has requested that certain items that are unrelated to the duties and responsibilities of the Board be redacted or excluded, as appropriate.

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Active Stakeholder Engagement

Why We Engage

We believe that hearing directly from our fellow shareholders, the investment community and key stakeholders informs and enables the Board and our management team to be a more effective steward of our capital and provides valuable insights into addressing the issues most important to our stakeholders. We are proud of our track record of being responsive to our shareholders, and during 2023, we elevated our efforts to engage with the investment community and other key stakeholders.

How We Engage

Outreach

We engage with stakeholders through various in-person and virtual methods, including shareholder outreach efforts, quarterly earnings calls, the annual shareholder meeting, one-on-one meetings, investor conferences, property tours and non-deal roadshows.

Discussion

Active discussions involving management and independent directors are important to gaining insight and understanding of investor questions and concerns.

Feedback

Key stakeholder feedback is shared with management and the Board of Directors, providing them with insight into stakeholder views of Tanger.

Results

We are proud of our track record of being responsive to our shareholders. Based on the feedback we have received, we have made many positive changes, especially related to our executive compensation programs. As a result, 96% of the votes cast in 2023 approved, on an advisory (non-binding) basis, our executive compensation.

Engagement Topics and Focus Areas

Key focus areas of stakeholder engagement include:

- Corporate governance
- Executive compensation
- Business strategy
- Business performance and expectations

We are committed to robust information sharing through:

- SEC filings, press releases & company websites
- ESG reports and disclosures
- Quarterly management presentations

Engaging with our Lenders, Noteholders and Ratings Agencies

We recognize the importance of cultivating strong relationships with our lenders, ratings agencies and the fixed income investment community in order to maintain a strong and flexible balance sheet. Our priorities include:

- Ensuring that we understand and consider the issues important to our lenders, ratings agencies, and debtholders
- Maintaining an open dialogue regarding our business performance, strategic goals and financing needs
- Partnering with our lenders to proactively address upcoming maturities

2023 Stakeholder Engagement Facts

~ 70%	The percentage of our total shareholder base that we engaged with during 2023
75%	The percentage of our top 20 shareholders that we directly engaged with during 2023
> 30	Number of investment community events participated in during 2023, including 12 property tours
> 500	Number of investment community touchpoints during 2023

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Key Examples

Walgreens Boots Alliance 2024 Proxy Statement

Effective disclosure on what the company heard, did in response, and where to read more and then includes more fulsome discourse on pgs. 35-38

Corporate governance

YEAR-ROUND engagement with stockholders

- SUMMER**
 - Review changes to our largest stockholders' proxy voting policies and perspective.
 - Plan for outreach to our largest stockholders and smaller institutional investors with active engagement programs.
- FALL**
 - Conduct engagements with our largest investors to discuss corporate governance, executive compensation and ESG initiatives.
 - Share engagement feedback with our Board and committees, as appropriate, for consideration.
 - Enhance governance practices and disclosures, as warranted.
- WINTER/SPRING**
 - In advance of the annual stockholder meeting, conduct additional engagement with investors as needed/requested and share feedback with the Board and committees.
 - Hold annual stockholder meeting.
 - Review feedback from annual stockholder meeting and determine future priorities.

The Board believes that, in most circumstances, our CEO and other authorized members of our senior management are best positioned to speak with our stockholders on behalf of the Company. However, the Board and its Committee regularly receive reports on our stockholder engagement activities, and they are provided with the opportunity to discuss and ask questions about significant stockholder feedback we receive.

Stockholder outreach

As part of our ongoing practice to proactively engage stockholders throughout the year, members of our management team met with many of our stockholders during fiscal 2023 and the months leading up to the filing of this Proxy Statement. In certain cases, our Lead Independent Director, who is also the Chair of our Nominating and Governance Committee, participated in these calls. In advance of the 2024 Annual Meeting, we conducted formal outreach to stockholders to continue the constructive dialogue to solicit a broad range of feedback.

The profile of our stockholders is unusual for a large publicly traded company, with approximately 69% of the outstanding shares held by institutional investors, approximately 24% held by retail investors and approximately 7% held by affiliates of Stefano Pisegna, our Executive Chairman. During fiscal 2023 and the months leading up to the filing of this Proxy Statement, we reached out to stockholders who collectively represent approximately 8% of shares held by our top 50 institutional stockholders or approximately 50% of our outstanding shares (excluding the shares held by Mr. Pisegna's affiliates). Our outreach included contacting investors representing 100% of institutions that individually hold more than 0.05% of our outstanding shares (excluding broker-dealers and institutions who have advised that they do not engage with issuers). Some investors we contacted either did not respond or confirmed that a discussion was not needed at that time.

We engaged (or are scheduled to meet prior to the Annual Meeting) with stockholders that represent approximately 25% of all our outstanding shares (excluding the shares held by Mr. Pisegna's affiliates).

We also extended invitations to the two leading proxy advisory firms, Glass Lewis and Institutional Shareholder Services, to an effort to update them on governance and executive compensation matters.

We are committed to ongoing engagement discussions and welcome feedback from all of our stockholders, who can reach our Investor Relations team by visiting <https://investor.walgreensbootsalliance.com>.

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Corporate governance

... depth of our outreach and engagement with stockholders since we published our 2023 proxy statement (excluding shares discussed below exclude the shares held by Mr. Pisegna's affiliates):

Investors representing approximately 8% of the outstanding shares held by our 50 largest institutional (excluding broker/dealers) reached out to 42 stockholders who represent approximately 50% of our outstanding shares (or are scheduled to hold 12 meetings with stockholders who represent 25% of our outstanding shares).

Engagement and company responses

Outreach to our largest stockholders representing approximately 50% of all outstanding shares (excluding shares held by affiliates of Mr. Pisegna):

- Stockholder feedback is shared with the Board, through the Nominating and Governance Committee and CLP Committee, as appropriate and as engagements occur. Feedback from engagements included discussions relating to:
 - Recent executive leadership transitions and the Company's management succession planning process;
 - Executive compensation, including our fiscal 2021 and fiscal 2022 say-on-pay votes;
 - Board oversight of strategy and risk management;
 - Corporate governance and Board succession planning;
 - Board oversight of ESG, including diversity, equity and inclusion and human capital; and
 - Sustainability and corporate social responsibility initiatives.

The Board considered stockholder feedback in its continuous review of best practices, governance enhancements and compensation program design.

Our Response

- We enhanced our disclosure regarding the executive management succession planning process as overseen by the Board and the CLP Committee. Please see "Board committee and meeting—Compensation and leadership performance committee—' talent development."
- The CLP Committee continues its commitment to base any potential discretionary decisions on the principles of our compensation philosophy, specifically linking pay to both Company and individual performance, among other factors. Information on our executive compensation program for fiscal year 2023 is provided under "Executive compensation—Compensation discussion and analysis" beginning on page 46.
- We maintained our Board refreshment efforts focused on recruiting directors with extensive healthcare experience with the addition of Thomas E. Polen and Timothy C. Wentworth to the Board.

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Corporate governance

Request to disclose how the key skills, qualifications and experience the Board considers when making director nomination decisions are specifically applicable to the Company and interpreted by the Board.

2022

- Concern with absence of cap on cash severance payments.
- Appreciation for the Board's refreshment efforts and the recent addition of directors with relevant experience and skill sets that align with our corporate strategy.
- Concern with lack of a relative performance component in our compensation program.
- Desire for Company disclosure of forward-looking performance targets for performance share awards.
- Appreciation of expanded disclosures in our ESG Report and request for continued progress on transparency.
- Request for the Company to consider setting emissions reductions targets in accordance with the Science Based Targets initiative ("SBTi").

2023

- Request to disclose how the key skills, qualifications and experience identified by the Board to assess director candidates. Please see "Board membership criteria—Key skills, qualifications and experience to be represented on the board" on page 17.
- We adopted a policy whereby going forward, cash severance payments to any executive officer that in the aggregate exceed 2.99 times the sum of such executive's annual base salary and target annual bonus will require stockholder approval.
- We continued our commitment to align the Board composition with the changing needs of the Company and the Board with the addition of Independent S. Bhandari and Bryan C. Hanson to the Board.
- Beginning with the fiscal 2023-2025 performance share program, performance share awards are also subject to a relative total stockholder return ("TSR") modifier, pursuant to which the number of shares earned may be adjusted by up to +/-20% based on the Company's TSR performance compared to the companies in our executive compensation peer group.
- We understand the desire of stockholders to receive this information and must balance the usefulness of disclosure with competitive concerns. At this time, we believe that the disclosure of forward-looking performance goals could result in competitive harm and be detrimental to our operating performance. However, consistent with the approach taken by many of our peer companies, we committed to prospectively disclose the financial performance goals and payouts.
- We responded to stockholder feedback for more transparency by incorporating a more robust TCFD response into our annual ESG report.
- In 2021, we announced our first enterprise-wide, global carbon emissions reduction target, which targets a 30% decrease in Scope 1 and Scope 2 emissions by fiscal 2030 vs. fiscal 2019. The target was developed using the SBTi framework as a guide. We are actively discussing the adoption of an SBTi-approved emissions reduction target.
- The Board and the CLP Committee understood the concerns raised by stockholders and believe positive disclosure should be limited to only extraordinary circumstances. The CLP Committee had not exercised such discretion prior to fiscal 2020 and has no intention of doing so again in the future.
- We made the decision to publicly disclose our annual EEO-1 report as submitted to the U.S. Equal Employment Opportunity Commission for calendar year 2020 and future years in an effort to enhance transparency about our workforce diversity.

2024

- Concern regarding the CLP Committee's use of positive discretion in the Company's incentive plans and the use of one financial metric in our short-term and long-term incentive plans.
- Request to expand disclosures relating to workforce diversity and publicly release the Company's U.S. Employee Equal Opportunity ("EEO-1") data.

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Corporate governance

2020 and prior years

- Concern that the existing clawback policy would be difficult to enforce and did not require disclosure of any exercise of the policy.
- Appreciation of the Company's focus on human capital management.
- Appreciation of the Board's focus on diversity of ethnic background and gender.
- Clarity regarding the Board's role in overseeing both strategy and risk management.
- Concern regarding the national opioid pandemic and the Company's effort to help combat prescription opioid abuse.

The CLP Committee adopted resolutions that require disclosure of enforcement of the clawback policy with respect to any Section 16 officer, unless the Board or CLP Committee conclude that legal or privacy concerns would prevent such disclosure.

We amended the charter of and renamed our CLP Committee to reflect the Committee's dedication to broader oversight of leadership performance, including areas of diversity and inclusion, management development and talent recruitment, retention and engagement.

We amended our Corporate Governance Guidelines and the charter of the Nominating and Governance Committee in 2020 to provide that when searching for new directors, the Nominating and Governance Committee will actively seek out women and individuals from minority groups to include in the pool from which Board nominees are chosen.

We enhanced our disclosure regarding our Board leadership structure and our Board's role in the oversight of risk management and strategy.

We first published our Board Report on Oversight of Risks Related to Opioids in June 2019, which includes descriptions of the Company's efforts to combat prescription opioid medication abuse and the governance of those efforts. The report was subsequently revised to include disclosure as a result of stockholder engagement.

8 Board and its Committee also regularly consider stockholder perspectives, among other considerations, when making claims related to their specific duties and responsibilities. Finally, our Corporate Governance Guidelines state that, from as to time, upon the reasonable request of one of our major stockholders, the Lead Independent Director will make herself available for consultation and direct communication with such stockholder where appropriate.

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Board and Committee Evaluation Process

The board self-evaluation originated with New York Stock Exchange listing rules, which required annual performance evaluations of the board and each of its main committees. This important process has taken hold and now is incorporated into the governance practices of most companies. Although not technically required by SEC rules, companies increasingly are providing details about their evaluation processes to demonstrate that the board is accountable, effective, and has a continuous improvement and learning mindset. If evaluations are done well, the board can identify and remove obstacles to peak performance. For many companies, the board evaluation process also is a key factor in the nomination process.

What to Think About

Investors want directors to be engaged, knowledgeable, and effective, and they see rigorous self-evaluations as a means to promote board accountability and effectiveness. To that end, investors expect evaluations to go beyond simple compliance questions, such as whether the board complies with applicable legal requirements. Instead, they want assurance that evaluations are structured to uncover any impediments to the board's effectiveness.

Labrador Transparency Award Criteria

- The board evaluation process is depicted in a graphic or using other visual elements.
- The evaluation disclosure includes topics assessed and examples of enhancements or actions taken resulting from evaluation feedback.

For most companies, a board's self-evaluation process can be described visually, using a process flowchart or other graphic. The description should include:

- the committee responsible for overseeing the evaluation,
- whether a third party helps facilitate the process,
- how often evaluations are conducted,
- the key components of the process (such as written surveys, interviews, or one-on-one discussions),
- whether the individual board committees perform a similar evaluation,

- the topics covered, and
- enhancements made in response to the findings.

If the board evaluation is primarily focused on Board composition, the disclosures typically will be found near the election of directors section. Broader evaluations focused on board processes typically will appear in the Corporate Governance section.



Benchmarking

Board and Committee Evaluations

50.0%

Board evaluation process is depicted in a graphic or using other visual elements

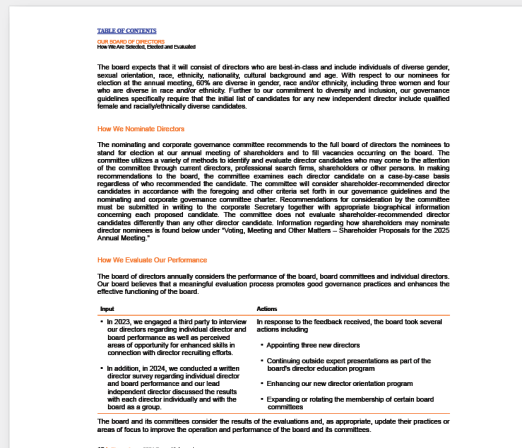
37.0%

Board evaluation disclosure includes topics assessed and examples of enhancements or actions taken resulting from evaluation feedback

Key Examples

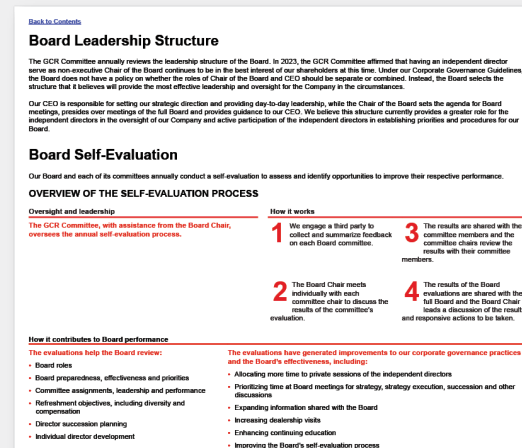
Fiserv, Inc. 2024 Proxy Statement

Brief, with specific actions taken as a result of an evaluation



Group 1 Automotive 2024 Proxy Statement

Explains the process, why it is helpful, and what changes they have made as a result





Key Examples

Cardinal Health 2023 Proxy Statement

Explains the process and topics evaluated and responsive changes made

Flex 2024 Proxy Statement

Detailed discussion of process, topics, and actions taken

CORPORATE GOVERNANCE
Our Board's Primary Role and Responsibilities and Processes

Human Capital Strategy
Our Compensation Committee plays a leading role in overseeing and advising the Board about our human capital management strategies and policies, including with respect to:

- attracting, developing, retaining, and motivating management and employees;
- workplace DEI initiatives and progress;
- employee relations; and
- workplace safety and culture.

The Board is periodically updated on specific aspects of our human capital management strategy, as appropriate.

Talent Management and Succession Planning
The Compensation Committee and the Board are actively engaged in our talent management program. The Compensation Committee oversees the process for succession planning for the CEO and other senior executives, and management provides an organizational update at each quarterly Committee meeting and shares key talent metrics.

The full Board holds a formal succession planning and talent review session annually, which includes succession planning for the CEO and other senior executives. These sessions include identification of internal candidates and desired leadership skills and key capabilities and experience. Directors also interact with our leaders through Board presentations and discussions, as well as through informal events and planned one-on-one meetings.

As a result of its CEO succession planning process, the Board elected Mr. Hollar as CEO, effective September 1, 2023. Mr. Hollar succeeded Michael C. Kaufman, who served as CEO for almost five years. In selecting Mr. Hollar as our CEO, the Board considered his extensive management, operational, and financial expertise and his strong performance as CEO since joining the company in 2020.

Also during the last fiscal year, the Board elected an experienced internal hire and former President of our Pharmaceutical Distribution business, Deborah L. Weitzman, as CEO, Pharmaceutical Segment, effective September 10, 2022. Later in the fiscal year, the Board elected external hire Aaron C. Hill to fill our open CEO role, effective February 10, 2023. Mr. Hill joined us from food service distribution company Sysco Corporation, where he also served as CEO.

Our Board Evaluation Process
Each year, our Board conducts a rigorous self-evaluation process, which includes individual director evaluations. This process is overseen by the Governance and Sustainability Committee, led by our Governance and Sustainability Committee Chair and conducted by an outside facilitator with corporate governance experience. The outside facilitator interviews each director to obtain anonymous feedback regarding Board performance and effectiveness and reviews the feedback during an executive session of the Board. This feedback helps the Board identify follow-up items and provide feedback to management.

The Board evaluation process includes an assessment of both Board process and substance including:

- the Board's effectiveness, structure, composition, succession, and culture;
- the quality of Board discussions;
- the Board's performance in oversight of business performance, strategy, succession planning, risk management, ethics and compliance, and other key areas; and
- agenda topics for future meetings.

Sustainability Oversight

As discussed above, we recognize the importance of a strong foundation of sustainability governance. Our Nominating, Governance and Public Responsibility Committee has primary responsibility for shaping and overseeing the Company's corporate governance, including our corporate responsibility and sustainability policies and programs, considering such matters as human rights, social issues, and environmental risks and opportunities. The Nominating, Governance and Public Responsibility Committee receives regular reports from our Chief Information Security Officer ("CISO") and our Chief Information Officer ("CIO") on cybersecurity matters. These reports include a range of topics, including our cybersecurity risk profile, the current cybersecurity risk posture, the current landscape, the state of ongoing cybersecurity initiatives, incident reports, and the results of internal and external assessments of our information systems. The Audit Committee also annually reviews the adequacy and effectiveness of our information and technology security policies and the internal controls regarding information and technology security and cybersecurity, and periodically receives updates from our internal audit function on the results of our cybersecurity audits and related mitigation activities. In addition, the full Board also receives briefings from our CISO and CIO on cybersecurity matters twice annually. Should a material cyber incident rise to the level of a corporate crisis, consistent with the Company's crisis response protocols, the Board would be engaged.

Cybersecurity Oversight
We recognize that cyber risks are enterprise-wide issues for the Board to oversee. Our Audit Committee has primary responsibility for overseeing risks associated with our information technology, including cybersecurity, including our plans to mitigate cybersecurity risks and to respond to data breaches. The Audit Committee receives regular reports (at least quarterly) from our Chief Information Security Officer ("CISO") and our Chief Information Officer ("CIO") on cybersecurity matters. These reports include a range of topics, including our cybersecurity risk profile, the current cybersecurity risk posture, the current landscape, the state of ongoing cybersecurity initiatives, incident reports, and the results of internal and external assessments of our information systems. The Audit Committee also annually reviews the adequacy and effectiveness of our information and technology security policies and the internal controls regarding information and technology security and cybersecurity, and periodically receives updates from our internal audit function on the results of our cybersecurity audits and related mitigation activities. In addition, the full Board also receives briefings from our CISO and CIO on cybersecurity matters twice annually. Should a material cyber incident rise to the level of a corporate crisis, consistent with the Company's crisis response protocols, the Board would be engaged.

Our cybersecurity program is led by our CISO and includes protocols for preventing, detecting, addressing, and responding to cybersecurity incidents. Our program includes business continuity, disaster recovery planning and testing, and security vulnerability assessments. As part of our information security training program, we provide annual cybersecurity awareness training to equip our employees with information they need to understand the dangers of social engineering, detect potential attacks, and take appropriate actions to protect our business with security best practices. From time to time, we engage independent security firms to assess, audit, and certify components of our cybersecurity program. Our global information security management program is ISO 27001:2013 certified.

Board's Role in Succession Planning
The responsibilities of our Board, with the assistance of the Compensation and People Committee, include periodically reviewing and assessing succession plans for the Chief Executive Officer position and for other executive officers in order to ensure that Flex continues to have the talent we need to successfully develop and execute our strategy and conduct our business. Our Board has a long-term and continuing program for effective senior leadership development and active succession oversight.

On at least an annual basis, the Board, with the assistance of the Compensation and People Committee, performs this review and assessment which includes strategic opportunities, an information regarding diversity. In another Board meeting, the Board also discusses development and retention of executive talent. Directors become familiar with potential successors for key executive positions through various means, including regular organization and talent reviews, presentations to the Board, and formal and informal meetings.

Board Evaluation Process
Our Board continually seeks to improve its performance, and self-evaluations are an annual undertaking at Flex. A comprehensive self-evaluation framework allows the Board to assess its performance and practices and identify areas for growth and improvement, and is critical to maintaining optimal Board effectiveness.

Our Nominating, Governance and Public Responsibility Committee oversees the formal annual evaluation process. Each year, the committee determines the substance and structure of the evaluation for the Board, the Board committees, and each individual director based on prevailing corporate governance practices. Our Board periodically engages

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An independent third-party evaluation firm to segment the Board's annual evaluation process. We believe that this continuous feedback cycle, along with our formal annual evaluation process, contributes to the overall functioning and ongoing effectiveness of our Board.

Our annual Board evaluations cover several areas, including the following:

- Board, committee and individual director overall performance and effectiveness
- Board and committee structure and processes, including leadership structure
- Board and committee composition, including in terms of skills, diversity, experience and other relevant characteristics for the company
- Quality of Board and committee discussions and balance between presentations and discussion
- Board member access to the Chair of the Board, CEO and other members of Company management
- Quality and clarity of materials presented to directors
- Satisfaction with communication between meetings
- Satisfaction with Board and committee meeting frequency and length, meeting agendas and meeting content
- View on new director orientation and director continuing education, and how they might be improved
- View on Board and committee evaluation process itself, and how it might be improved

Below is a summary of our Board evaluation process:

Plan
The Nominating, Governance and Public Responsibility Committee determines the substance and structure of the evaluation for the Board, each committee, and each individual director based on a combination of social and corporate governance and best practices. Evaluation questionnaires are prepared and reviewed by the Nominating, Governance and Public Responsibility Committee and Board. The questionnaires include open-ended questions and do not include closed commentary. Internal corporate governance and legal counsel are consulted in the review of the questionnaires and the Board and committee self-evaluation discussions for the fiscal year 2024 evaluation.

Conduct
The questionnaires are distributed. Additionally, our Inside Chair conducts one-on-one interviews with committee chairs and individual directors. The Board and committees then meet for evaluation discussions in executive sessions with the option of having informal or external legal counsel present. Directors have the option to be interviewed by external legal counsel or in a private session.

Review and Implement feedback
Our Board Chair leads an open discussion of the Board and committee evaluation results at the Board level. Separately, each committee chair leads a discussion of the applicable committee evaluation at each committee meeting and reports on their discussions to the full Board. Directors have the option to discuss their responses in a private session. Following the discussion, the Board and committees are using the results as a guide. The outside facilitator provides feedback to the Board and committees on an as-needed basis, allowing which may be communicated to the Company's management, as appropriate.

Based on director feedback received over the last several years through this evaluation process and through less formal channels, including feedback provided by directors at meetings, management has adjusted the content and style of its written materials and oral presentations for Board and committee meetings, and enhanced Board and committee oversight topics and the frequency of reviews.

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◀ Table of Contents Topic Table of Contents

Key Examples

Diamondback Energy 2024 Proxy Statement

Very detailed discussion of process and topics covered

General Mills 2023 Proxy Statement

Thorough, presented in organized table format

Danaher 2024 Proxy Statement

Organized and detailed process graphic, includes responsive actions taken

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Committee Charters

The charters for our audit committee, compensation committee, nominating and corporate governance committee and safety, sustainability and corporate responsibility committee can be found on our website at www.diamondbackenergy.com under the "Investors-Corporate Governance" caption. You may also obtain copies of these charters at no charge to you, by writing to Corporate Secretary, Diamondback Energy, Inc., 500 West Texas Ave, Suite 100, Midland, TX 79701.

— ANNUAL BOARD AND COMMITTEE EVALUATIONS

The board is committed to continuous improvement with respect to its ability to carry out its responsibilities. In accordance with our Corporate Governance Guidelines, the board and each of its committees annually conduct a comprehensive evaluation process. These board and committee evaluations are a critical tool in assessing the composition and effectiveness of the board and each of its committees and presents an opportunity to identify areas of strength and areas capable of improvement. Our nominating and corporate governance committee oversees the annual board and committee evaluation process which is described in more detail below.

- Our board and committee members evaluate cover the following topics:
 - board and committee responsibilities and effectiveness;
 - board and committee size, structure and composition, including assessment of skills, experience, diversity, occupational and personal backgrounds;
 - board culture and dynamics, including the effectiveness of discussion and debate at board and committee meetings;
 - strategic planning and oversight;
 - the quality of board and committee agendas and meeting materials;
 - access to resources, including management and outside advisors; and
 - board and individual committee performance.

- Review of Board and Committee Evaluation Process**
The nominating and corporate governance committee annually reviews the scope and format of the board and committee evaluation process. In 2023, the nominating and corporate governance committee enhanced the board and committee evaluation process by incorporating feedback received from individual director interviews and interviews with members of senior management.
- Board and Committee Evaluation Questionnaires**
Each director provides feedback on the board and its committees by completing written evaluation questionnaires that cover the topics addressed above for the board and each committee on which the director serves. Upon receipt of the completed written questionnaires, our outside counsel aggregates and summarizes the feedback on an anonymized basis and provides the summarized feedback to the Corporate Secretary.
- Individual Director and Senior Management Interviews**
The lead independent director and the chairperson of the nominating and corporate governance committee conduct in-depth interviews with each independent director and certain members of senior management as part of the board and committee evaluation process. These candid discussions enable each independent director to discuss his or her questionnaire responses and to provide direct and honest feedback regarding board and committee composition, effectiveness and performance.
- Implementation of Feedback**
Policies and practices are enhanced because of the annual board and committee evaluations, individual director interviews and ongoing feedback. The board considers the results of the evaluations to assess whether the board and its committees have the necessary diversity of skills, backgrounds and experiences to meet the Company's needs and to further enhance the effectiveness of the board and its committees over time.

DIAMONDBACK ENERGY, INC. - 2024 PROXY STATEMENT 28

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Corporate Governance

Annual Board and Committee Evaluation Process

The board recognizes that a robust and constructive evaluation process is an essential part of good corporate governance and board effectiveness. The evaluation processes utilized by the board are designed to assess board and committee effectiveness, as well as individual director performance and contribution levels. The corporate governance committee oversees the results of the annual evaluations in connection with its review of director nominees to ensure the board continues to operate effectively. The evaluation results are also used to provide feedback to individual directors. In keeping with our robust evaluation process, in 2023, in addition to written board and committee evaluations, our Independent Lead Director conducted individual director interviews. These interviews yielded valuable information for the Chairman and corporate governance committee to consider during the board evaluation process and to a greater extent to enhance board effectiveness.

Performed By	Frequency	Forum	Results
All Directors	Annual	Board Questionnaire: Board members complete written board self-evaluation which (i) provides for quantitative ratings of key board practices and the formation of Board and SOX risk indicator feedback on areas for improvement.	<ul style="list-style-type: none"> The Chairman, Independent Lead Director and corporate governance committee chair review and discuss the results. The Chairman, Independent Lead Director and corporate governance committee chair review a selection of the results with the full board, and enhancements are implemented as appropriate.
Senior Management	Annual	Management Survey: Management Members of senior management who regularly interact with the board and/or its committees complete an online survey to provide their own perspective on the operation of the board.	<ul style="list-style-type: none"> For each survey response, the Chairman, Independent Lead Director and corporate governance committee chair review and discuss the results with the independent consultant to identify feedback to be shared on how it can enhance its effectiveness.
All Directors	Annual (unless if Independent consultant is used)	Board Interviews: The Independent Lead Director interviews each board member to elicit additional in-depth feedback on board and individual director performance that is not always available through the written evaluations.	<ul style="list-style-type: none"> The corporate governance committee reviews any corporate issues regarding individual director performance and takes appropriate action as necessary.
All Directors	Every 3-4 years	Consultant Interviews: A third party governance board consultant conducts in-depth interviews with each director. The use of a third-party consultant provides an outside perspective on board culture and individual director performance.	

[General Mills, Inc.](#)

CORPORATE GOVERNANCE

Board of Directors and Committees of the Board

Executive Committee

The Executive Committee exercises between meetings of the Board any powers or authority as are specifically delegated to it by the Board from time to time, typically related to business acquisition or capital raising transactions. The Executive Committee did not meet in 2023.

Finance Committee

The Finance Committee approves business acquisitions, investments and divestitures up to the levels of authority delegated to it by the Board. The Finance Committee met one time in 2023.

Board, Committee and Individual Director Evaluations

Our Board recognizes that a rigorous and constructive evaluation process is an essential component of good corporate governance and Board effectiveness. Under the leadership of our Lead Independent Director, the Nominating and Governance Committee oversees the annual evaluation process and periodically reviews the format of the process to help ensure it is eliciting actionable feedback with respect to the effectiveness of the Board, Board committees and individual directors.

The annual Board, committee and individual director evaluation process consists of the following components:

- 01 Board & Committee Self-Assessment**
Each director completes a questionnaire assessing the performance of the Board and its committees for applicability in overseeing strategic capital allocation, operations, financial integrity, legal compliance and risk management, and leadership succession sustainability and social responsibility, as well as the effectiveness of Board processes.
- 02 Individual Director Self-Assessment**
Each director also completes a self-assessment questionnaire with respect to meeting attendance and preparedness. Board and committee members hold an executive session facilitated by the Lead Independent Director with the Board level and by the respective committee chair at the committee level to discuss the results, identify areas for continued improvement and prioritize director education topics. The results of the committee sessions are communicated to the full Board.
- 03 Self-Assessment Meetings**
The questionnaire results are provided to the Board and to each of the Audit, Compensation and Nominating and Governance Committees, and the Board and each committee hold an executive session facilitated by the Lead Independent Director with the Board level and by the respective committee chair at the committee level to discuss the results, identify areas for continued improvement and prioritize director education topics. The results of the committee sessions are communicated to the full Board.
- 04 Acting Upon Results**
As a result of the Board's 2023 self-assessment process, the Board identified opportunities to further strengthen the Board's practices in areas relating to the Board's oversight of the Company's strategy, ongoing performance and sustainability program.

2024 Notice of Annual Meeting and Proxy Statement



Sustainability and HCM



CSX

Creating Value Through Focus on Service, Environmental Sustainability, Safety and Culture



CSX's unwavering commitment is to generate long-term value for all our stakeholders—customers, shareholders, employees and communities. This commitment is driven by strategic investments in our proven operating model that prioritizes service, efficiency, safety and our people. We are making consistent, positive strides in our overall business growth strategy and core initiatives designed to stimulate profitable expansion.

- enhanced the customer experience through innovative service offerings and technological upgrades.
- heightened our commitment to environmental sustainability, demonstrated by our investment in alternative fuels, along with analytical tools designed to improve efficiency.
- thoroughly reviewed our approach to safety, introducing changes to our processes while maintaining our commitment to continuous improvement in safety performance; and
- further fortified our ONE CSX workplace culture, promoting a unified and collaborative work environment.

We are confident that these advancements put us on the right track towards providing efficient and profitable rail solutions over the long term. By generating more business and preserving a safe and rewarding work environment for our employees, we are creating enduring value for our customers, shareholders, employees and communities.

Our ability to adapt, evolve, innovate and invest has been instrumental in CSX's journey towards excellence. This proactive approach will continue to guide us into the future, empowering the Company to deliver superior results for decades to come.

Our Customers

We help our customers reach their goals. We move our customers' products reliably, efficiently and safely, while facilitating their reduction of greenhouse gas (GHG) emissions in the transition to a lower-carbon economy in the process. We aim to anticipate our customers' needs to create effective solutions and overall be a trusted business partner.

In 2023, we estimated that CSX customers avoided emitting 12.9 million tons of carbon dioxide by shipping with CSX versus truck.

Our Shareholders

We implement strategic initiatives and engage in practices designed to drive business results with a focus on creating long-term shareholder gains.

Through increased business growth and market share, which is incentivized by our executive compensation program, we are able to deliver strong returns over the long term to our investors.

Last year, cash flow generation supported close to \$4.4 billion in shareholder returns, including approximately \$3.5 billion in share repurchases and nearly \$900 million of dividends.

Our Employees

We care about our people; employee health and well-being and safety are among our top priorities. We provide family-sustaining jobs with opportunities for significant growth and career advancement within our ONE CSX culture that delivers the resources to improve CSX employees' emotional, social, physical and financial well-being both in their work and home lives, values employee engagement and puts safety first.

With more than 23,000 employees, in 2023, we incurred over \$3.0 billion in expenses for labor and fringe benefits. We trained nearly 3,300 craft employees at the CSX Atlanta Training Center on safety, including the more than 1,600 new conductors whom we successfully onboarded.

Our Communities

We help strengthen our communities with a focus on community safety. We support numerous communities across our network through direct and indirect investment that provides jobs, fuels local suppliers and moves us all towards a more sustainable future. We promote rail safety, support active military, veterans and first responders, provide disaster relief and aim to improve the quality of life in the areas in which we operate, including by minimizing disturbances from noise, vibration and air use.

In 2023, we contributed \$16 million and 18,000 volunteer hours to our communities, and continued to prioritize public safety with a robust first responder training program that reached over 6,000 individuals in communities across our rail network.

Creating Value, Together

Creating Value | Environment Sustainability

Environmental Sustainability

Our Ongoing Commitment to Environmental Sustainability

As the most fuel-efficient mode of freight transportation on land, rail will continue to enable significant emission reductions and help drive economic prosperity. Advancing environmental sustainability supports our business strategy and is a part of our value proposition to our customers. In addition to helping customers decrease their environmental impact by moving goods and materials by rail, to underscore our ongoing commitment to mitigating the impacts of climate change, we are stepping up our actions to reduce our own GHG emissions, increase our use of renewable energy, divert waste from landfill, conserve natural resources, clean up the sites on which we operate and partner with our suppliers to create efficiencies. Detailed progress on these environmental goals will be released after this year in our 2023 Environmental, Social and Governance (ESG) Report.

Overall, we remain extremely proud of our continued dedication to and leadership on environmental sustainability, demonstrated by our significant investment in innovative solutions to drive incremental efficiency and progressive action in our operations to reduce our impact on the environment as we track towards specific targets, such as our science-based GHG emissions target of reducing GHG emissions intensity by 37.3% by 2030, using 2014 as a baseline. Increasing the fuel efficiency of our locomotive fleet will have the greatest impact in reducing our overall GHG reductions. As such, in 2023, we further embraced the opportunity to identify, develop, test and bring to scale emerging alternative fuels and other technologies and fuel-saving analytics and tools that will bring about an even more sustainable future for rail, including:

Alternative Fuels

Biodiesel:

Partnering with Wabtec Corporation ("Wabtec"), we began in 2022 a test program of a 20% biodiesel fuel in 10 rebuilt FDL Advantage locomotives with new high-pressure common rail fuel systems. This program continues to yield impressive results; as of the end of 2023, these 10 locomotives have burned more than 520,000 gallons of the 20% biodiesel fuel blend ("B20"), which reduces GHG emissions for Tampa area operations. Having almost completed the emissions testing—which is performed by Wabtec—we anticipate that Wabtec will submit data this year for U.S. Environmental Protection Agency certification for approval of long-term use of B20 fuel.

Battery-Electric and Hydrogen Locomotives

Battery-Electric:

We are exploring battery-powered locomotives as a sustainable alternative to diesel. In 2023, the Federal Railroad Administration (the "FRA") announced the grant of more than \$11.5 million under the Consolidated Rail Infrastructure and Safety Improvement program for the CSX Curtis Bay facility at the Port of Baltimore to replace three older locomotives at our terminal with new battery-electric locomotives and a battery charging station. The units, which will be the first zero-emissions locomotives at an East Coast port, are expected to annually reduce emissions by 1,53k tons of carbon dioxide and 71 tons of nitrogen oxides per year.

Hydrogen:

In 2023, CPKC and CSX announced our intent to enter into a joint venture to build and deploy hydrogen locomotive conversions kits for diesel electric locomotives. As an initial step in this collaboration, CSX plans to convert one of our diesel locomotives in Huntington, West Virginia using a hydrogen conversion kit developed by CPKC. We believe that this exciting initiative will help CSX and the rail industry achieve long-term carbon reduction targets with zero-emission locomotives and hydrogen as a fuel alternative.

Fuel Efficiency Tools

Trip Optimizer and Zero-to-Zero:

CSX was the first railroad to test Wabtec's Trip Optimizer Zero-to-Zero technology. Trip Optimizer is a smart system for trains that is similar to cruise control. It automatically controls locomotive throttle and brakes to lower fuel burn based on dynamics like the terrain and speed restrictions. We already use Trip Optimizer technology across our mainline fleet of locomotives, helping us save approximately 41 million gallons of fuel a year—or an average saving of 1.4 gallons of fuel per auto mile. Trip Optimizer Zero-to-Zero is a relatively new feature that further expands the benefits of the Trip Optimizer tool, and allows a train to start from zero miles per hour and stop automatically using intelligent controls. This technology is expected to help us save an additional 4.9 million gallons of fuel per year. As of early 2024, we continue to work with the FRA to test and implement this technology.

Helping Customers Meet Their Environmental Goals

The environmental advantage of rail over highway transportation—given that, on average, freight railroads are three to four times more fuel efficient than trucks and produce up to 75% fewer GHG emissions—is steadily becoming a significant factor in our customers' supply chain decision-making, especially in light of increasing consumer pressures and anticipated regulatory changes related to emissions and reporting. It is an ongoing priority at CSX to effectively communicate with our customers about the efficiency benefits associated with our services and ultimately help our customers advance their own sustainability goals. For example, in early 2023, we introduced an enhanced carbon emissions reduction calculator that allows customers to see how much they are—or can—reduce their GHG emissions by transporting goods by rail versus truck. Based on customer feedback, the tool enables carload freight shippers to generate carbon savings analyses based on their historical shipment data, year-to-date totals and year-to-year trends and apply variables that provide additional insight for weighing carbon emission impacts when making supply chain decisions. Last year, we estimated that CSX customers avoided emitting 12.9 million tons of carbon dioxide by shipping with CSX versus truck.

This section includes:

- 134 Approach to Sustainability
- 136 Sustainability
- 149 Approach to HCM
- 151 Human Capital Management (HCM)



Approach to Sustainability

Disclosures about corporate sustainability topics, and board oversight of related risks and opportunities, continue to evolve. As the primary document for governance information, the proxy statement often includes an overview of the board’s role and responsibilities. Further, sustainability highlights have moved into proxies as companies expand their definition of “performance” and value creation for a broader group of stakeholders.

Investor Perspective: Sustainability

BlackRock (U.S., 1/25)

Robust disclosure allows for investors to effectively evaluate companies’ strategy and business practices related to material sustainability-related risks and opportunities. We find it helpful when companies’ **disclosures demonstrate that they have a resilient business model** that integrates material sustainability-related risks and opportunities into their strategy, risk management, and metrics and targets, including industry-specific metrics.

While we do not prescribe timelines . . . we encourage . . . **sustainability-related disclosures sufficiently in advance of their annual meeting**, to the best of their abilities to provide investors with the time to assess the data and make informed decisions.

While not a voting item, we find it helpful to our understanding of investment risk when companies disclose any material supranational standards adopted, the industry initiatives in which they participate, any peer group benchmarking undertaken, and any assurance processes.

State Street (Global, 3/24)

We expect all companies to provide public disclosures in accordance with the following **four pillars of the Taskforce for Climate-related Financial Disclosures (TCFD) framework** . . .



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Investor Perspective: Sustainability

Vanguard (U.S., 2/24)

If a situation arises in which the board has failed to **effectively identify, monitor, and ensure management of material risks and business practices** under its purview based on committee responsibilities, a fund will generally vote against the relevant committee members and/or other relevant directors. **These risks may include material social and environmental risks, inclusive of climate change.**

A **fund may support shareholder proposals** that: . . . **addresses a shortcoming in the company's current disclosure relative to market norms or to widely accepted investor-oriented frameworks** endorsed or referenced by Vanguard's Investment Stewardship program (e.g., the International Sustainability Standards Board (ISSB)) . . .

ISS (U.S., 1/25)

For companies that are **significant greenhouse gas (GHG) emitters**, through their operations or value chain, **generally vote against or withhold** from the incumbent chair of the responsible committee (or other directors on a case-by-case basis) in cases where ISS determines that the company is **not taking the minimum steps needed to understand, assess, and mitigate risks related to climate change to the company and the larger economy.**

Minimum steps . . . are considered to be the following . . . **Detailed disclosure of climate-related risks**, such as according to the framework established by the Task Force on Climate-related Financial Disclosures (TCFD) . . .

Glass Lewis (U.S. 2025)

We believe that insufficient oversight of material environmental and social issues can present direct legal, financial, regulatory and reputational risks that could serve to harm shareholder interests.

We will **generally recommend voting against** the governance committee chair of a company in the Russell 1000 index that **fails to provide explicit disclosure concerning the board's role in overseeing [environmental and social] issues.**



Sustainability

Disclosures of the board's oversight of and engagement on environmental, social and governance (ESG) priorities sharply increased in recent years. Whether in a standalone section or part of a broader discussion under strategy and/or risk, discussion of a company's governance of sustainability-related topics allows stakeholders to evaluate whether these non-financial considerations are appropriately integrated into key processes and decisions.

What to Think About

While most public companies have free-standing sustainability/ESG reports, stakeholders expect to find summarized disclosures about a company's ESG governance and priorities.

Shareholders in particular want to understand how a company's approach to environmental and social topics helps support sustainable, long-term value creation. Large institutional investors have said that they will vote against relevant directors and/or support sustainability-related proposals if disclosures are lacking. Although anti-ESG proposals continued their rise in 2024, they earned less support, with average support falling to under 2%.¹

What components of sustainability

program to include? Because sustainability disclosures cross-over multiple documents, it can be difficult to determine the level of detail to provide in the proxy statement.

As a baseline for proxy statements, companies usually provide:

- **An oversight section**, which describes how sustainability-related responsibilities are allocated among management personnel and the board and its committees.
- **Is board oversight part of strategy or risk or separate topic?:** Sustainability-related topics bring both risk and opportunity. Best practice companies are tying board oversight of sustainability/ESG to the company's strategy and stakeholder feedback. Stakeholders also expect that the

board is actively identifying key sustainability-related priorities through formal risk assessments and regularly reviewing related risks and opportunities. Accordingly, it is appropriate to have the discussion of sustainability-related oversight as part of strategy, risk, or its own section, and as a best practice, craft the disclosure to tie together the interplay of ESG-strategy-risk-value creation.

- **Sustainability highlights:** More and more companies are disclosing highlights of their specific priorities, goals, and targets; recent initiatives and accomplishments; and/or awards and recognition.
- Most companies note that more detailed data and metrics are included in a standalone sustainability/ESG report.

Other sustainability-related topics:

- **Process for identifying and evaluating sustainability-related risks and opportunities:**
- Several companies describe the process for identifying priorities and summarize a formal assessment process that collects the views of internal and external stakeholders.
- Companies should continue to refine their list of priorities as broader societal needs evolve or their specific industry or company needs change. Companies should consider recent hot topics and their relation to a company's sustainability-related and HCM priorities.

¹ <https://corpgov.law.harvard.edu/2024/07/31/anti-esg-proposal-surged-in-2024-but-earned-less-support/#:~:text=As%20Figure%201%20illustrates%2C%20the,environmental%20proposal%20filings%20this%20year.>



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- How board exercises its oversight: Stakeholders want to understand the process the board uses for i) assessing the company's impacts and determining priorities with stakeholder input, ii) setting goals and the path to achieve them, iii) approving resources and reviewing disclosures, iv) establishing appropriate quality controls, and v) holding management accountable.
- **Commitment to transparency:** Stakeholders want decision-useful and comparative disclosures. Many proxy statements express an ongoing commitment to transparency and accountability, noting the company's current reporting practices, naming any recognized frameworks (IFRS, TCFD, SASB, GRI, etc.) that the company reports in accordance with or is working toward, and where the most recent report/data can be located.

How to structure sustainability-related disclosures? Companies take a variety of approaches in structuring their sustainability disclosures. The most common are:

- **Two separate locations:** i) **Sustainability highlights** in the introductory pages, usually following company performance or as part of a proxy summary, and ii) **Sustainability oversight** in the corporate governance section
- **One, standalone Sustainability section** either within the corporate governance section or following it.

Key drafting considerations:

- Companies should consider consistency of sustainability-related disclosures between their proxy statement and sustainability/ESG reports. Attention should be given to a thoughtful review of a company's disclosure documents to ensure a consistent and coherent message. While extensive duplication should be avoided, the proxy statement should be used to highlight the most salient governance, processes and priorities to allow stockholders to make an informed decision when voting on a company's directors.

Labrador Transparency Award Criteria

- The document includes an ESG highlights/summary section using graphics or other visual elements.
- The document provides an overview of ESG focus areas and updates on key priorities and initiatives.
- The company summarizes its reporting practices, including use of applicable reporting frameworks, and the website to find the most recent ESG report.
- The document includes a section, subsection or callout discussing the board's role in ESG oversight.
- The company discloses the Board or applicable Board Committee that oversees climate risk.
- A matrix, table, graphic or other visual elements are used to depict the distribution of specific ESG responsibilities among the board, Board committees and management.

Looking Ahead

Anti-ESG" shareholder proposals accounted for approximately 17% of all ESG proposals submitted during the 2024 annual meeting season.* Many of the anti-ESG proposals relate to diversity matters. In light of the "anti-ESG" movement and recent legal challenges companies should review their disclosures to ensure a robust explanation of how their sustainability programs tie to strategy.

• <https://www.georgeson.com/us/insights/2023-agm-season-new-record-for-esg-shareholder-proposals>



Benchmarking

Sustainability/ESG Oversight

72.0%

The document includes a section, subsection or callout discussing the board's role in ESG oversight



61.0%

The document includes a discussion of a specific committee's role in ESG oversight



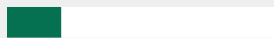
54.0%

The document includes a discussion of the management's role in ESG oversight



21.0%

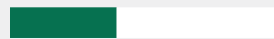
The discussion of ESG oversight includes a graphic or other visual elements to depict the distribution of specific ESG responsibilities among the Board, Board committees, and management



Location of ESG oversight discussion:

40.3%

Within risk oversight in Corporate Governance



20.8%

Within ESG section in Corporate Governance



52.8%

Together with discussion of ESG topics



Sustainability/ESG Highlights

72.0%

The document includes an ESG highlights/summary section



Location of ESG Highlights/Summary:

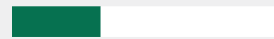
51.4%

Within Proxy summary/introductory pages



33.3%

Within Corporate Governance



29.2%

Within separate ESG section



Sustainability/ESG Topics

58.0%

ESG Focus areas/priorities are outlined



45.0%

Climate change/GHG/Net Zero goals are disclosed



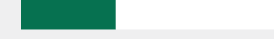
37.0%

Company discloses quantitative progress (ex: percentage increase or decrease) against goals



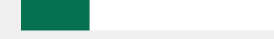
36.0%

Company discloses qualitative progress (ex: actions) against goals



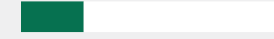
26.0%

Environmental goals are disclosed



24.0%

DEI goals are disclosed





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66.0%

The criteria for this year's TAW asked only if there are any graphics or visual elements in the ESG highlights/summary, not specific to key figures ("The document includes an ESG highlights/summary section using graphics or other visual elements").



26.0%

Awards and recognitions are presented



Reference to Sustainability/ESG Reporting

57.0%

A URL link to the latest report is provided



Reporting frameworks are mentioned

52.0%



Highlighted frameworks include:

88.5%

Task Force on Climate-related Financial Disclosures (TCFD)



78.8%

Sustainability Accounting Standards Board (SASB)



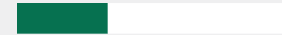
50.0%

Global Reporting Initiative (GRI)



34.6%

UN Sustainable Development Goals





Key Examples

Air Products 2024 Proxy Statement

Common approach of 2-3 page, visual ESG summary in the introductory pages, with a short discussion of the Board's oversight in the Risk Oversight section

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Sustainability Highlights

Providing innovative solutions through deeply-rooted values

Air Products' higher purpose is to bring people together to collaborate and innovate solutions to the world's most significant energy and environmental sustainability challenges. We are living this commitment, putting sustainability in action through our mega projects that support the energy transition. While working to support these objectives and our customers, we also remain committed to our employees. Safety will always be a priority at Air Products, with the ultimate goal of zero incidents and zero accidents. Our goal is to be the safest, most diverse and most profitable industrial gas company in the world, providing excellent service to our customers. To drive this objective, we set rigorous goals for female representation globally and for minority representation in the United States.

Achievements

- Strong financial performance in fiscal 2023 as indicated above in our Financial and Operational Highlights
- Have projects in execution in Alberta, Canada for a net-zero hydrogen energy complex; a blue hydrogen energy facility in Louisiana, United States; a green ammonia project in NCOM City, Saudi Arabia; and a sustainable aviation fuel project in California, United States
- Enabled customers to avoid more than three times our own carbon dioxide equivalent ("CO₂e") emissions while contributing 96% of revenues in calendar year 2022 from sustainable offerings that improve energy efficiency, reduce environmental impact or address societal needs such as food, healthcare and safety
- Continued to reduce Scope 1 and 2 CO₂e emissions intensity in calendar year 2022, reaching a reduction of 9% from calendar year 2015
- Reduced Scope 3 CO₂e emissions intensity in calendar year 2022, reaching a reduction of 28% from calendar year 2015
- Improved year-on-year water intensity by 4% in calendar year 2022 and maintained energy efficiency
- Engaged with the Science Based Targets Initiative to develop a sectoral framework and methodology for the chemicals sector
- Reduced employee recordable injury rate in fiscal 2023 by 19% from fiscal 2022
- Achieved U.S. minority representation of 25% and global female representation of 28% in fiscal 2022
- Through the Air Products Foundation, contributed over \$9 million in donations to communities in fiscal 2023

Grow responsibly through sustainability-driven opportunities that benefit our customers and our world.

Conserve natural and reduce environmental footprints through cost-effective investments.

Care for our employees, customers and communities, protecting our ability to operate and grow.

AIR PRODUCTS

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Our Sustainability Goals

- Economic Performance**
Lead the industrial gas industry in profitability
- Energy Transition**
Commit to at least \$15 billion through 2027 in projects to drive the energy transition
- Customer Sustainability**
Annually increase the total CO₂e emissions avoided by our customers
- CO₂e Intensity**
Reduce our Scope 1 and Scope 2 CO₂e emissions intensity by one-third by 2030 compared to a 2015 baseline
- Net Zero**
Achieve net zero emissions in our operations by 2050*
- Resource Conservation**
Increase energy efficiency and promote the responsible use of water
- Safety**
Lead the industrial gas industry in safety
- Talent and Diversity**
Increase diversity in professional and managerial roles with goals of 30% minority representation in U.S. roles and 28% female representation globally

* Achieving this goal also will require strong policy and regulatory support that promotes the adoption of key technologies to address the pace and scale required to support a net-zero future.

« As the world's largest hydrogen supplier, Air Products has experience across the full value chain for hydrogen and is driving sustainable growth by building, owning and operating the world's largest production, carbon capture, transportation and fueling projects related to hydrogen. Now is the time for action, to build momentum to scale infrastructure quickly and incentivize customer demand. Air Products is fully supportive of these efforts and has committed to invest at least \$15 billion through 2027 to clean energy megaprojects around the world to accelerate the energy transition. »

Seif Chasemil
Chairman, President and CEO

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Our People

We believe our employees are our most valuable asset and are critical to our success as an organization. Our goal is to be the safest, most diverse and most profitable industrial gas company in the world, providing excellent service to our customers. Integral to our success is the continued development of our 45 culture (Safety, Speed, Simplicity and Self-Confidence) and creating a work environment where all employees feel that they belong and matter.

Our talent-related initiatives, including employee recruitment and development, diversity and inclusion and compensation and benefit programs, are focused on building and retaining the world-class and talented staff that is needed to meet our goals.

Diversity in Professional and Managerial Roles

Our 2023 U.S. Equal Employment Opportunity Report (EEO-1) is available on our website at www.airproducts.com/company/diversity

- Women (Global): 25%
- Minority (U.S.): 25%
- Global: 28%

More Information

Air Products has reported annually on its sustainability performance for 20 years, building on a decade of safety and environmental reporting.

Our 2023 Sustainability Report, prepared in accordance with the Global Reporting Initiative, is available on the sustainability page of our website and includes details on our plans to reach our goals. The Sustainability Report also includes summaries of how our sustainability efforts are aligned with the reporting recommendations of SASB and TCFD.

2023 Corporate Sustainability Report
www.airproducts.com/company/sustainability

Recognition

In 2023, Air Products was named to the Dow Jones Sustainability Index (North America), S&P Global's Sustainability Yearbook, ISS-ecotm Prime, FTSE4Good Index, Ethisit Sustainability Index (Pioneer and Excellence Global) and Barron's list of the 100 Most Sustainable Companies. In 2023, the Company also was named by Forbes as a Best Employer for Diversity.

Forbes 2023 BEST EMPLOYERS FOR DIVERSITY

FTSE4Good

ISS-ecotm

Dow Jones Sustainability Indices

S&P Global Sustainability Yearbook

Ethisit Sustainability Index

* The information on our website is not incorporated by reference into, and does not form part of, this proxy statement.

AIR PRODUCTS

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Board Oversight of Sustainability

The Board has accountability for oversight of our environmental, health and safety performance, which it reviews at least quarterly. The Corporate Governance and Nominating Committee has responsibility for monitoring our response to important public policy issues, including sustainability, which is reviewed on a routine basis. Business ethics, climate change, diversity and talent management are key subjects related to sustainability that are discussed by the Board. The Board oversees the establishment of our sustainability goals and reviews our progress in respect thereof, including progress against our "Third by 30" carbon intensity goals, our commitment to at least \$15 billion to energy transition projects through 2027 and achieving net-zero emissions in our operations by 2050. The Board also oversees the establishment of and our progress toward our goals related to diversity. We are dedicated to achieving at least 28% female representation in the professional and managerial population globally by 2025 as well as at least 30% minority representation in the same population in the United States by 2025. We also maintain sustainability goals in other areas related to our sustainability framework and engage with our shareholders on sustainability matters. In addition, the Management Development and Compensation Committee assesses our performance against our environmental, social and governance objectives and makes corresponding adjustments to executive compensation payable under our Annual Incentive Plan.



Key Examples

Tanger 2023 Proxy Statement



1-page ESG overview in introductory pages

Aflac 2024 Proxy Statement



1-page ESG overview in introductory pages, with 2-page Board oversight of ESG and HCM later in the proxy statement

Performance Highlights

Our Environmental, Social and Governance Approach

At Tanger, we work to create long-term value for our stakeholders, retail partners, and employee team members while we build strong communities and consider the future of our planet. We strive to integrate environmental, social and governance (ESG) principles into our business practices and address the issues most important to Tanger stakeholders. Strong governance and our core values form the foundation of our approach.

Our goal is to outline best practices in every aspect of our business, and we continue to enhance our ESG reporting practices through alignment with highly regarded disclosure frameworks. Our ESG reporting is guided by the standards of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), now part of the International Sustainability Standards Board, and the Task Force on Climate-related Financial Disclosures (TCFD). We also disclose to the Global Real Estate Sustainability Benchmark (GRESB) and CDP (formerly the Carbon Disclosure Project).

A portion of our 2023 short-term incentive plan for our named executive officers was contingent on achieving goals related to emissions reductions and continued progress on sustainability initiatives related to our solar platform, electric vehicle charging network and waste diversion rates.

ESG Strategic Pillars and Priorities

Our strategic pillars are focused on our priority ESG issues, which are rooted in our business strategy and informed by our stakeholders. These four pillars guide our actions and support our ambition to create long-term sustainable value:

<h4>Our Governance</h4> <p>Managing Our Business with Integrity</p> <p>We build trusting relationships and seek to create long-term value for our stakeholders with ethics as the foundation for our approach to ESG and our entire business.</p>	<h4>Our People</h4> <p>Creating a Positive Workplace</p> <p>We aim to create an engaging, equitable workplace where all people are welcomed, valued, and have opportunities to thrive.</p>	<h4>Our Community</h4> <p>Contributing to Strong, Vibrant Communities</p> <p>We actively serve our communities through partnerships with nonprofits, community leaders, and retailers.</p>	<h4>Our Planet</h4> <p>Minding Our Environmental Impact</p> <p>We are committed to taking steps to mitigate climate change through embedding energy efficiency and sustainability measures in center operations, new center development, and retailer partnerships.</p>
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Our ESG materiality process drives strategy on environmental, social, economic and governance topics. We begin by identifying opportunities and risks, and leverage external frameworks and engage stakeholders, executives and our Board members to help identify key ESG issues. These key issues are translated into operational priorities and processes across the Company.

DI
DIVERSITY, EQUITY & INCLUSION

EE
ENERGY USE & EFFICIENCY

CI
COMMUNITY INVOLVEMENT

CC
CLIMATE CHANGE

TE
TENANT'S ENVIRONMENTAL & SOCIAL FOOTPRINT

8 Tanger Inc. | 2024 Proxy Statement

8 AFLAC INCORPORATED 2023 BUSINESS HIGHLIGHTS

Corporate Social Responsibility and Sustainability Highlights

Aflac Incorporated, we believe that all things being equal, most people prefer doing business with a company that is also a good corporate citizen. We refer to this as "The Aflac Way," which is the outward manifestation of our belief that ethics, corporate citizenship, and success go hand in hand. Our efforts include helping families facing childhood cancer and blood disorders such as sickle cell, conducting business with ethics and compassion, providing development and wellness opportunities for our workforce, being ever-mindful of our environmental impact, and serving the community through efforts such as helping families facing childhood cancer and blood disorders. This philosophy is woven into our daily operations, our culture, and our actions in the community.

Workforce Diversity

- As of December 31, 2023, women accounted for 54% of Aflac Japan employees and 33% of Aflac Japan leadership roles. Women also held 27% of Aflac Japan management roles, as part of Aflac U.S. Insurance Japan Ltd.'s long-term plan to increase this percentage to 30% by 2025.
- As of December 31, 2023, 49% of Aflac U.S. and the Company employees located in the U.S. were people of color and 66% were women. Women also occupied 5% of leadership roles located in the U.S. and 37% of senior management roles located in the U.S. In 2023, 57% of new hires located in the U.S. were people of color and 68% were women.

Community Investment and Philanthropy

- My Special Aflac Duck®** is a "smart" robotic companion designed to help children with cancer and sickle cell disease. We aim to put a My Special Aflac Duck in the hands of every child, age 3 and above, diagnosed with cancer and sickle cell disease in the U.S., Japan and Northern Ireland and has given My Special Aflac Ducks to more than 27,000 children through 2023.
- We and our employees and agents are responsible for:
 - More than 190,000 pediatric patients** and their family members who have called **Aflac Parents House** a home-away-from-home while receiving treatment for six four illnesses, like cancer.
 - \$72 million** in support of **Aflac Cancer and Blood Disorders Center of Children's Healthcare of Atlanta**, helping make 1 one of the top pediatric cancer programs in the United States by U.S. News and World Report.

Environment

- Reduced combined Scope 1 and 2 market-based greenhouse gas emissions by more than 90% from 2007 to 2022
- Expect 2023 to be the 4th consecutive year for being carbon neutral for Scope 1 and 2 emissions
- Goal of net zero emissions by 2050

We are proud of our commitments and the accolades we have received, a handful of which are listed below, and we invite you to read Aflac Incorporated's most recent Business and Sustainability Report at investors.aflac.com under the "Sustainability" tab to learn more about our initiatives.

<p>Signature of PR (Division for Investment)</p> <p>Pioneer for Responsible Investment (PRI) Signatory</p> <p>In 2021, Aflac Incorporated became a PRI Signatory, which works to understand the investment implications of ESG factors and to support its international network of investor granules in incorporating these factors into investment and ownership decisions.</p>	<p>Named Deep Green Sustainability North America Index (DGI) year.</p> <p>In 2023, the Company was included in the North American Index and received high marks for Corporate Governance, Information Security/Cybersecurity & System Availability, and Tax Strategy.</p>	<p>Fortune's World's Most Admired Companies (2024 year).</p> <p>In this year's list, the Insurance, Life and Health category is a long-term investment for the second consecutive year.</p>
<p>Poles of Light's Civic 50 List (8th consecutive year), which showcases how leading companies are improving social impact, civic engagement and community to the core of their business.</p>	<p>Edinburgh's World's Most Ethical Companies (15th consecutive year), which tracks the financial performance of public companies committed to supporting gender equality through policy development, remuneration, and transparency.</p>	<p>Bloomberg's Gender-Equality Index (6th consecutive year), which tracks the financial performance of public companies committed to supporting gender equality through policy development, remuneration, and transparency.</p>

30 AFLAC INCORPORATED CORPORATE GOVERNANCE MATTERS

Commitment to Corporate Social Responsibility and Sustainability

Oversight of Corporate Social Responsibility and Sustainability

Board of Directors

Our Board plays critical environment, social, and governance oversight and leadership roles through its efforts to identify, promote, and monitor responsible and ethical corporate governance mechanisms, corporate social responsibility and sustainability goals and related compensation programs, and risk management policies that identify and assess climate-related risks.

Corporate Social Responsibility and Sustainability Committee

- Oversees the Company's policies, procedures, and practices with respect to corporate social responsibility (CSR) and sustainability
- Monitors the preparation of and reviews the Company's annual report that provides more detail around CSR and sustainability initiatives
- Coordinates with:
 - The Finance and Investment Committee regarding guidance on CSR and sustainability factors relating to issuance and application of proceeds of sustainability bonds and other social and/or sustainability oriented debt of the Company and oversight of the investment process
 - The Compensation Committee relating to incorporating CSR and sustainability factors into executive compensation programs
 - The Corporate Governance Committee to incorporate diversity, equity, and inclusion efforts with regards to the Company's policies and principles relating to succession planning and management development

Updates received by the Board through the Corporate Social Responsibility and Sustainability Committee

- U.N. Sustainable Development Goals
- Workplace diversity and inclusion efforts
- Environmental initiatives
- Philanthropic activities

Audit and Risk Committee

- Oversees the Company's policies, process, and structure related to enterprise risk engagement and management, which includes CSR and sustainability risks and opportunities

Role of Management

Management periodically meets with the Corporate Social Responsibility and Sustainability Committee, as well as other Board Committees, to report on how sustainability-related risks and opportunities inform actions that are coordinated and aligned with the broader goals of the Company and are integrated into organizational strategy, plans of action, management policies, and performance objectives, including how progress is monitored against targets and goals.

2023 Key Corporate Social Responsibility and Sustainability Initiatives

Throughout the year, the Corporate Social Responsibility and Sustainability Committee monitored the progress of the four 2023 MIP Modifier objectives in the following categories: responsible investing (insurance subsidiary portfolio), climate net zero emissions and diversity, equity, and inclusion. See the "Compensation Discussion and Analysis" section of this document for more discussion on these items.

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Human Capital Management

Board of Directors

Our Board is actively engaged in overseeing the Company's people and culture strategy. Several committees review and report back to the Board on a broad range of human capital management topics and related risks.

Compensation Committee

- Reviews the Company's compensation plans to ensure promotion of the Company's goals and objectives, including sustainability goals and objectives

Corporate Governance Committee

- Oversees the Company's policies and principles relating to succession planning and management development, and ensures that appropriate succession plans are in place

Corporate Social Responsibility and Sustainability Committee

- Provides guidance and oversight of the Company's corporate social responsibility activities, including metrics and procedures to track progress toward achievement of the Company's goals

Aflac U.S. and Aflac Japan both place an emphasis on the employee value proposition and overall employee experience. This includes a broad range of development and growth opportunities as well as a robust menu of engagement and wellness offerings. Diversity, equity, and inclusion (DEI) has continued to be a key theme in the Aflac culture and critical to our human capital management strategy. At Aflac Japan, promotional efforts have successfully focused on the development of women into leadership positions. In the U.S., recruiting efforts target both entry level and mid to senior level hiring and include partnerships with colleges and universities, including historically black colleges and universities, and civic organizations to attract diverse talent. Aflac U.S. also offers a variety of internships, co-operative opportunities and transitional programs to allow emerging talent to develop. Educational opportunities are available for self-development and growth to help employees further enhance their technical and professional skills.

To see Aflac Incorporated's most recent Business and Sustainability Report, other sustainability disclosures including the most recent **ESG report and the sustainability policy statements, please visit investors.aflac.com under the "Sustainability" tab.**



Key Examples

Electronic Arts 2024 Proxy Statement

A simple and direct approach, with a brief ESG section in the proxy summary and, later under Board Roles and Responsibilities, a table showing key ESG areas of Board oversight

Intel 2024 Proxy Statement

1-page, data-heavy overviews of ESG initiatives in the introductory pages, plus later discussion of Board oversight, including number of directors with relevant experience

PROXY HIGHLIGHTS

Engagement with Stockholders

EA maintains a robust, year-round stockholder engagement program that allows us to solicit feedback from our stockholders on a variety of topics to help inform the Board's decision-making process. During fiscal year 2024, in advance of our Annual Meeting, we offered meetings with a total of 28 stockholders, which collectively hold approximately 43% of our outstanding stock. We held engagement meetings with every stockholder who accepted, totaling 17 meetings, with stockholders representing approximately 50% of our outstanding stock. The Chair of our Compensation Committee participated in select discussions. During these meetings, we reviewed and discussed various topics, including our executive compensation program, governance and ESG issues. These discussions provide the Board and management with invaluable perspectives, insights and feedback. We look forward to our continued dialogues with our stockholders.

Leading up to 2024 Annual Meeting

Offered Meetings

Total of 28 Stockholders

representing 43% of our outstanding common stock

Engaged in Discussions

~50%

of our outstanding common stock

What we discussed	Executive Compensation	Governance	Environmental and Social Matters
	<ul style="list-style-type: none"> Feedback on our Compensation program, including Annual Bonus Program and PSU Program, and potential go-forward changes under consideration 	<ul style="list-style-type: none"> Board refreshment and size Board oversight Cybersecurity and AI 	<ul style="list-style-type: none"> Our culture and our talent Environmental sustainability progress

Environmental, Social and Governance ("ESG") Focus

EA is committed to positive impact in our world, and we continue to make progress on our initiatives supporting our players, our communities, our planet, and our company. ESG matters are overseen by our Board of Directors, with specific responsibilities assigned to each of the Board Committees. See page 17 for more information about Board and Committee oversight of ESG.

In September 2023, we published our fourth annual Impact Report detailing our commitments and progress in environmental, social and governance areas that are of interest to our stockholders. Our disclosures are created with reference to the Sustainability Accounting Standards Board (SASB) Materiality Map and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We also align our programs and practices with select United Nations Sustainable Development Goals (SDGs) and related reporting of our environmental sustainability efforts to the Carbon Disclosure Project (CDP).

America's Best Midsize Employers

Forbes - 2024

Most Admired Companies

Fortune - 2024

Top 100 Most Sustainable Companies

Barons - 2024

2024 PROXY STATEMENT 7

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board's Role and Responsibilities

Oversight of Business Strategy

The Board's industry and management expertise is critical in overseeing our business strategy, in a rapidly evolving industry. Our Board is an important resource for thoughtful and candid insights into strategic planning conversations, including product and service development, operational considerations, emerging industry trends, acquisitions, financial planning and organizational design.

- The Board oversees our stockholders' interest in the long-term health and the overall success of our business and financial strength. The focus is reflected in the agenda for each Board meeting. The Board reviews our long-term strategy at a dedicated meeting at least annually.
- At the beginning of each fiscal year, the Board formally reviews and approves our annual financial plan. The Board monitors performance throughout the year, including financial progress, the integrity of our financial results and strategic objectives.
- The Board critically reviews how we allocate our capital resources, including acquisition activity, significant capital investments and return of capital programs. These strategic actions and investments are reviewed and approved by the Board, or a committee, following open and engaged discussion.
- At each Board meeting, the Board reviews and discusses with management a set of detailed operating reports, including current financial performance versus plan. Focused discussions of key business issues, strategic developments and financial considerations are held at each Board meeting.
- At each Board meeting, the independent directors meet in executive session. These meetings are led by our Lead Independent Director.

Oversight of ESG Matters

The Board of Directors oversees ESG matters directly and through its committees.

Human Capital Management

The Board reviews material human capital management programs, practices and strategies, including organizational health and key indicators, at least annually.

Environmental Sustainability

The Nominating and Governance Committee oversees our commitments to environmental sustainability at least annually.

DEI, Talent and Culture

The Nominating and Governance Committee reviews our initiatives related to diversity, equity and inclusion (DEI) and efforts to maintain a safe and healthy culture, at least annually.

Overall ESG Performance

The Nominating and Governance Committee reviews topics such as our overall ESG performance, disclosures and investor engagement at least bi-annually and to inform our progress to the Board. These updates include a review of market developments, frameworks and stakeholder expectations.

Pay Equity

At least annually, the Compensation Committee reviews our commitments to pay equity.

2024 PROXY STATEMENT 17

Introduction to Our Business

Corporate Responsibility Initiatives

With our corporate responsibility (CR) strategy, and our 2023, 2040, and 2050 sustainability goals, we aim to create a more responsible, inclusive, and sustainable world, enabled through our technology and the expertise and passion of our employees. Our strategy not only raises the bar for ourselves and our value chain but also increases the scale and global impact of our work through coordinated collaborations with our customers and a broad range of stakeholders. We aim to harness the power of technology to solve increasingly complex and interconnected global challenges during this decade and beyond. We know that acting alone, Intel cannot achieve the broad, societal impact we aspire to. That's why we regularly engage with investors regarding our ESG goals and progress, including in our governance engagements at ESG Roadshows.

Our working-class talent is at the heart of everything we do. We continue to be inspired by the many ways our employees have driven progress on our goals in the face of a challenging external environment, and by the positive stakeholder feedback and increased interest to work together to accelerate global impact. We are harnessing the breadth and scale of our reach — through people and across the industry — to have a positive effect on business, society, and the planet. For additional details (and any additions) about our corporate responsibility initiatives, see our Corporate Responsibility Report.

<p>Responsible</p> <p>Lead in advancing safety, wellness, and responsible business practices across our global manufacturing operations, our value chain, and beyond</p>	<p>Collaborating to Advance AI Safety</p> <p>The AI Governance Working Group, The AI Alliance, NIST, and others</p>	<p>\$27M</p> <p>has been returned to supplier workers (since 2014)</p>
<p>Inclusive</p> <p>Advances inclusion across our global workforce and industry, and expand opportunities for others through inclusive technology, practices, and digital readiness initiatives</p>	<p>#4</p> <p>Most 3rd company by JPMI Capital, leading our industry in 2024</p>	<p>45+</p> <p>Employee resource groups, affinity groups, and leadership councils</p>
<p>Sustainable</p> <p>Be a global leader in sustainability and enable our customers and others to reduce their environmental impact through our actions</p>	<p>Intel's AI Global Impact Festival</p> <p>We have created a platform for utilizing AI to promote accessibility</p>	<p>~\$1.6B</p> <p>Directors support annual spending in 2023</p>
<p>Enabling</p> <p>Through innovative technology and the expertise and passion of our employees, we will positively change with Intel, across our industry, and beyond</p>	<p>Climate Transition Action Plan</p> <p>Outline our roadmap, risk management, and transition opportunities</p>	<p>Net Zero</p> <p>GHG emissions commitment for scope 1 and 2 by 2050 and emissions scope 3 by 2050</p> <p>\$425M</p> <p>Of green bond proceeds allocated in first-year update to support operational sustainability</p>
	<p>Improved accessibility</p> <p>Significant release concerning hearing aids to reach 80% hearing</p>	<p>~3.8M</p> <p>Employee hours spent on accessibility (since 2020)</p> <p>370</p> <p>Task Impact projects funded via the Intel RISE Technology Initiative in 45 countries (since 2020)</p>

At Intel, we are committed to transparency. For more information on our initiatives, visit [intel.com/csr](#). For information on our ESG and CTO, see our Annual Report on Form 10-K. Our CISO and CTO regularly report directly to the Audit Committee or the Board on our cybersecurity program and efforts to prevent, detect, mitigate, and remediate issues. In addition, we have an escalation process in place to inform senior management and the Board of material issues.

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Corporate Governance Matters

Corporate Social Responsibility Oversight

Corporate social responsibility (CSR) matters play an important role at Intel, and the Board is actively involved in overseeing our CSR initiatives. A number of directors have expertise on key corporate social responsibility issues, including:

- Mr. Bodeh has extensive experience with human capital management as a controller and manager of various departments at BlackRock, in addition to heading BlackRock's Investment Stewardship team and working closely with BlackRock's Sustainable Investing team on various environmental, social, and governance issues;
- Mr. G. Smith oversees Boeing's strengthened focus on sustainability;
- Mr. Weiler championed diversity, inclusion, and corporate responsibility while leading HP;
- Dr. Lavoie-Mooney has focused on corporate/industry social good in public health through her work at the Robert Wood Johnson Foundation; and
- Dr. Goldstein has actively promoted diversity and inclusion in electrical engineering.

Management provides formal updates to the Governance Committee at least twice each year, and at least annually to the full Board, on the company's corporate social responsibility performance and related disclosures. In 2023, this included a review of the 2022-2023 Corporate Responsibility Report and updates on issues including environmental sustainability, climate risk and transition action plan, human capital, human rights, political accountability, and investor outreach and feedback.

The Board has delegated its oversight of our CSR initiatives to its committees as follows:

- Governance Committee - has the primary responsibility for oversight of Intel's CSR matters, with additional topics also reviewed by other committees;
- Compensation Committee - has the responsibility for oversight of human capital matters; and
- Audit Committee - has the responsibility for oversight of our ethics and compliance program.

Cybersecurity Oversight

Our Board has ultimate cybersecurity risk oversight, which it manages as part of our enterprise risk management program. That program is utilized in making decisions with respect to company policies, resource allocations, and oversight activities. The Board is assisted by the Audit Committee, which regularly reviews our cybersecurity program with management and reports to the Board. Cybersecurity reviews by the Audit Committee on the Board generally occur at least twice annually, or more frequently as determined to be necessary or advisable. A number of Intel directors have experience in assessing and managing cybersecurity risk.

We aim to incorporate industry best practices throughout our cybersecurity program. Our cybersecurity strategy focuses on implementing effective and robust controls, technologies, and other processes to assess, identify, and manage material cybersecurity risks. Our cybersecurity program is designed to be aligned with applicable industry standards and is assessed annually by independent third-party auditors. We have processes in place to assess, identify, manage, and address material cybersecurity threats and incidents. These include, among other things, annual and ongoing security assessments to detect and monitor unusual network activity, and containment and incident response tools. We actively engage with industry groups for benchmarking and awareness of best practices. We monitor issues that are internally discovered or externally reported that may affect our products, and have processes to assess those issues for potential cybersecurity impact or risk. We also have a process in place to manage cybersecurity risks associated with third-party service providers. We impose security requirements upon our suppliers, including establishing an effective security management program, ability for information handling and asset management responsiveness, and notifying us in the event of any known or suspected cyber incident.

Our cybersecurity program is run by our Chief Information Security Officer (CISO), who reports to our Executive Vice President and Chief Technology Officer (CTO). Our CISO is informed about our resource practices, selection, mitigation, and remediation efforts through regular communication and reporting from professionals in the Information Security team, many of whom hold cybersecurity certifications such as a Certified Information Systems Security Professional or Certified Information Security Manager, and through the use of technological tools and software and results from third-party audits. For information with respect to the extensive experience of our CISO and CTO, see our Annual Report on Form 10-K. Our CISO and CTO regularly report directly to the Audit Committee or the Board on our cybersecurity program and efforts to prevent, detect, mitigate, and remediate issues. In addition, we have an escalation process in place to inform senior management and the Board of material issues.

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Key Examples

Honeywell 2024 Proxy Statement

2-page, graphic-heavy section on "Commitment to Sustainability" focused on environmental matters in the introductory pages; table and narrative describing oversight of all ESG matters in Board risk oversight section

COMMITMENT TO SUSTAINABILITY

Our people, our communities, and the environment. Sustainable growth and accelerated productivity. Technologies that expand the sustainable capacity of our world.

WE PROTECT **WE ACHIEVE** **WE DEVELOP**

PATH TO CARBON NEUTRALITY

- Committed to be carbon neutral in Honeywell's operations and facilities by 2025.¹⁾
- Committed to a 50% reduction in our U.S. Scope 1 and 2 emissions by 2030 from a 2018 baseline in partnership with the U.S. Department of Energy's Better Climate Challenge.
- Science-based target approved by the Science Based Targets Initiative (SBTI) that includes Scope 3 emissions.
- Committed to address Scope 3 indirect emissions, including through partnerships with industry leaders to identify and implement best practices.
- Robust plans in place to meet commitments with a multifaceted approach, including energy savings projects, conversion to renewable energy sources, capital improvement projects, and the deployment of our own innovative "ready now" sustainable solutions.

10-16-16 GOALS BY 2024

- Reduce global Scope 1 and 2 greenhouse gas emissions intensity by an additional 10% per dollar of sales from 2018 levels.
- Deploy at least 10 renewable energy opportunities.
- Achieve certification to ISO 50001 Energy Management Standard at 10 facilities.
- Exceeded 50-10-10 commitments with >20% reduction²⁾ in Scope 1 and 2 greenhouse gas emissions intensity, 20 renewables, and 50 ISO 50001 certifications.

SUSTAINABLE OPERATIONS

- Over 30% reduction in Scope 1 and 2 greenhouse gas intensity since 2004.
- Approximately 70% energy efficiency improvement since 2004.
- More than 3,000 acres remediated and restored as valuable community assets.
- 170 million gallons of water saved in water-stressed regions since 2013 from 186 projects.
- Safety record ³⁾4x better than the weighted average total case incident rate (TCIR) of the industries in which Honeywell operates.
- 6,200 sustainability projects since 2010, with more than \$100 million in annualized savings.

ESG-ORIENTED OFFERINGS


- Decade-long history of innovation to help customers meet their ESG-oriented goals.
- 41% of 2023 new product research and development investment was directed toward ESG-oriented outcomes.⁴⁾
- >50% of 2023 sales were from offerings that contribute to ESG-oriented outcomes.⁵⁾
- Honeywell Environmental Sustainability Index (ESI) providing market insights and thought leadership.

1) Scope 1 and Scope 2.
2) Subject to assurance.
3) Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com (see "ESG/ESG Information/Identification of ESG-Oriented Offerings").
4) Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com (see "ESG/ESG Information/Identification of ESG-Oriented Offerings").
5) Includes capacity of deployed Honeywell technology (mechanics and chemical and physical solutions) in installed projects enabling CO₂ capture from gas streams.

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ESG-ORIENTED OFFERINGS

Honeywell is uniquely positioned to shape a safer and more sustainable future for both the Company and its customers. The Company continues to invest and develop technologies that provide customers with adaptable and efficient solutions for their ESG-oriented needs.



HONEYWELL'S NET ZERO ENABLERS SUPPORT A LOW-CARBON FUTURE

- Low global warming potential molecules. Use of Honeywell Solstice[®] technology has helped avoid the potential release of the equivalent of more than 395 million metric tons of CO₂ into the atmosphere.
- Renewable fuels. Depending on the type of ethanol feedstock used, jet fuel produced from Honeywell's Ethanol to Jet Fuel (ETJ) process can reduce greenhouse gas (GHG) emissions by 80 percent on a total lifecycle basis, compared to petroleum-based jet fuel.
- Carbon capture and storage. Current Honeywell customers have the capacity to capture 40 million metric tons of CO₂ per year through installed projects worldwide that utilize Honeywell CO₂ technology.⁶⁾

6) Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com (see "ESG/ESG Information/Identification of ESG-Oriented Offerings").
7) Includes capacity of deployed Honeywell technology (mechanics and chemical and physical solutions) in installed projects enabling CO₂ capture from gas streams.

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OVERSIGHT OF STRATEGY

One of the Board's primary responsibilities is overseeing management's establishment and execution of the Company's strategy and the associated risks. The full Board oversees strategy and strategic risk through robust and constructive engagement with management, taking into consideration Honeywell's key priorities, global trends impacting our business, regulatory developments, and disruptions in our industries. The Board's oversight of strategy primarily occurs through deep-dive annual reviews of the long-term strategic plans and annual operating plans of each of our businesses. During these reviews, management provides the Board with its view of the key commercial and strategic risks and opportunities faced by each business unit so that the Board can assess whether management has identified the key risks and opportunities and is taking appropriate actions to mitigate risk. In addition to the review of each business' strategic and annual plans, specific areas of risk and opportunity are tabled for further Board and/or committee discussion to ensure additional Board engagement on the areas of risk that are most important to Honeywell's strategic direction.

The Board's oversight of strategy is prominent in the Company's portfolio optimization, mergers, acquisitions, and divestitures activity. From strategy and vision to comprehensive annual portfolio reviews, individual transaction approvals, deal execution, integration, and performance against goals, the Board is engaged in all aspects of the Company's mergers, acquisitions, divestitures, and corporate development activities. With the ultimate goal of achieving outcomes that promote long-term shareholder value, the Board annually engages in a rigorous, thorough, and unbiased review of Honeywell's portfolio and devotes a substantial amount of time at each Board meeting to pressure test potential transactions, review deal execution, monitor integration, and assess long-term outcomes.

OVERSIGHT OF ESG MATTERS

Honeywell takes seriously its commitment to corporate social responsibility, protection of the environment, and creation of sustainable opportunity everywhere it operates. Honeywell's environmental, social, and governance (ESG) initiatives are aligned with the Company's long-term strategy, both informing and supporting Honeywell's strategic plans.

The Board's engagement and oversight extends to ESG initiatives in the following principal ways:

- The CGRC has primary jurisdiction for managing risks and opportunities associated with ESG as well as oversight of discrete ESG topics, such as climate, environmental remediation, integrity and ethics, and political engagement.
- Direct MECC oversight of human capital management issues, including culture, diversity and inclusion, talent recruitment and retention, and employee well-being.
- Direct Audit Committee and Board engagement with ESG risk areas through a robust and comprehensive ERM program.
- Direct Board engagement on select ESG topics, such as inclusion and diversity, safety, business resiliency, political engagement, environmental matters, and community engagement.
- Feedback from shareholders. The Board values shareholders' perspectives on ESG matters, and the Company (often times with our independent Lead Director, MECC Chair, and/or CGRC Chair) engages directly with shareholders throughout the year to discuss and receive feedback on our activities, goals, and achievements in these areas.

Overall Oversight of ESG

The full Board and Corporate Governance and Responsibility Committee oversee the Company's overall ESG performance and associated risks and opportunities.

Committee Oversight of Discrete ESG Risk and Opportunities	CGRC	AUDIT COMMITTEE	MECC
<ul style="list-style-type: none"> Environmental Health and Safety Climate Remediation Political Engagement Governance Integrity and Ethics Data Privacy Environmental Justice 	<ul style="list-style-type: none"> Financial Controls Revenue Risk Liquidity/Contingencies Real Monetary Securities Product Safety and Integrity Supply Chain Cybersecurity Artificial Intelligence 	<ul style="list-style-type: none"> Human Capital Management Inclusion and Diversity Labor Practices Culture Competition Workplace Harassment Employee Engagement and Wellbeing 	
<p>Management with Accountability and Regular, Direct Reporting to Responsible Board Committee on ESG Topics</p> <ul style="list-style-type: none"> SVP and General Counsel Chief Sustainability Officer and Chief Security Officer Chief Compliance Officer SVP, Global Government Relations SVP, Global Government Affairs VP and General Counsel, ESG 	<ul style="list-style-type: none"> SVP and COO SVP and General Counsel VP Corporate Audit Chief Security Officer VP Controller US Tax Chief Supply Chain Officer Chief Compliance Officer Chief Digital Technology Officer 	<ul style="list-style-type: none"> SVP and Chief Human Resources Officer Chief Inclusion and Diversity Officer 	

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Key Examples

Freeport McMoRan 2024 Proxy Statement

A compact (3-page), standalone ESG section that highlights the company's sustainability strategy in the introductory pages; prominently describes Board and Committee oversight of ESG and emphasizes their roles in overseeing compliance programs and procedures in alignment with the company's global strategies

Sustainability / ESG

FCX is a leading responsible copper producer – supplying approximately 9% of the world's refined copper. As global decarbonization accelerates, demand for copper is expected to increase. We recognize the interdependencies of growth and sustainability and the importance of effectively managing our environmental and social impacts while supplying copper to a world with increasing requirements for metals. Our sustainability strategy – *Accelerate the Future, Responsibly* – is dedicated to this imperative.

Our sustainability strategy is supported by our environmental and social commitments which, in alignment with our business objectives, seek to enhance responsible production practices at our sites across the world. Fundamental to this work is the health, safety and well-being of our workforce and host communities where we operate. We seek to work collaboratively with our stakeholders to support shared value creation in our host communities and countries and to recognize, respect and promote human rights everywhere we conduct business. We are dedicated to effective environmental production and stewardship, which are key to ensuring the long-term viability of our business, including transitioning critical support from host communities and governments.

To learn more about our sustainability strategy, initiatives and progress, stakeholders are encouraged to review our 2023 Annual Report on Sustainability, which is independently assured and has been published annually since 2001, as well as our most recent Climate Report and other sustainability information available on our website at [fcxsustainability.com](https://www.fcxsustainability.com).

2023 Sustainability Highlights

- Copper Mark**
 - Maintained at all site globally
 - Over \$170M invested in our global communities
- Climate Strategy Progress**
 - Transferring from coal to liquefied natural gas at PT Freeport Indonesia's PT FE Grasberg operations; signed power purchase agreement to operate Cerro Verde on renewable energy only beginning in 2026
- Human Rights Impact Assessments**
 - Completed at PT FE's Grasberg operations and initiated at Cerro Verde operations
- Global Industry Standard on Tailings Management**
 - Progressed implementation at applicable tailings storage facilities in the Americas
- Biodiversity Management Plans**
 - Summaries disclosed for Cerro Verde, El Abra, Morenci and PT FE's Grasberg operations

Sustainability Program Aligns with International Best Practices

Voluntary Memberships and Commitments

- International Copper Association
- EITI
- Sustainable Development Goals
- ESO
- ICMM Member
- MILIFEP MARKET COUNCIL
- GLOBAL TAILINGS BUSINESS STANDARDS
- THE COPPER MARK
- GLOBAL TAILINGS BUSINESS STANDARDS

Sustainability Reporting Frameworks

- GRI
- S&P STANDARDS
- OECD
- TCFD

The Copper Mark

We demonstrate our responsible production performance through the Copper Mark, a comprehensive assurance framework developed specifically for the copper industry, and recently extended to other metals including molybdenum. To address the Copper Mark, each site is required to complete an independent external assurance process to assess conformance with various ESG criteria. Awarded sites must be re-evaluated every three years. We have achieved the Copper Mark under Molybdenum Mark, as applicable, at all of our sites globally.

Climate Strategy

Copper is the metal of decarbonization. Copper's essential role in current and emerging clean energy technologies is critical to global decarbonization. We are dedicated to making a positive impact on the global energy transition by ensuring our own climate strategy of Reduction, Resilience and Circularity and by enabling the responsibly produced copper necessary to support the energy transition.

During 2023, we continued to advance important initiatives to reduce our greenhouse gas (GHG) emissions, improve energy efficiency, evaluate and integrate the use of lower carbon and renewable energy and enhance our resilience to future climate-related risks. For more information on our climate strategy, performance and progress (including with respect to our four 2030 GHG reduction targets), please see our updated Climate Report published in September 2023.

Human Capital

We believe our global workforce is the foundation of our success.

- Our highest priority is the health, safety and well-being of our employees and contractors. We also work to promote our safety-first values with our suppliers and in the communities where we operate.
- We are committed to ongoing training and development of our workforce.
- We are committed to fostering a culture that is safety focused, respectful, inclusive and representative of the communities where we operate.

Additional information regarding our activities related to our people, including our workforce diversity data (such as our U.S. Employee EEO-1 report card), can be found in our 2023 Annual Report on Sustainability.

Board Oversight of ESG

FCX's governance structure is the foundation for delivering consistent, long-term stakeholder value, and reflects our commitment to sustainability-related matters and their importance to every aspect of our company. Governance and oversight of ESG ultimately resides with the board, with certain areas of the board's ESG oversight delegated to its four standing committees, as summarized in the table below:

Governing Body	ESG Oversight Responsibility
Board	<ul style="list-style-type: none"> Ultimate decision-making authority Reviews the recommendations with respect to ESG-related matters of each of its committees, as appropriate.
Corporate Responsibility Committee	<ul style="list-style-type: none"> Oversees our environmental and social policies, strategies, programs and policy implementation with respect to health and safety, responsible production frameworks, tailings management and stewardship, climate, water stewardship, biodiversity, nature and forest management, waste management, human rights, stakeholder relations, social performance and indigenous Peoples, responsible sourcing, and political activity and spending practices.
Audit Committee	<ul style="list-style-type: none"> Oversees our global compliance program and corporate compliance procedures and our information technology and cybersecurity processes and procedures. The matters are included within the committee's financial oversight responsibilities.
Governance Committee	<ul style="list-style-type: none"> Maintains our corporate governance guidelines. Oversees our corporate governance practices and processes.
Compensation Committee	<ul style="list-style-type: none"> Oversees executive compensation and our human capital management policies, programs, practices and strategies, including those relating to workforce recruitment, retention and development, pay equity, and inclusion and diversity.

2023 Key Sustainability / ESG Topics

In 2023, the board and its committees received presentations from, and had active dialogues with, management on key sustainability / ESG initiatives linked to our strategy and performance.

Board Meetings	Corporate Responsibility Committee Meetings
<ul style="list-style-type: none"> Workforce health and safety Information technology and cybersecurity processes and procedures Leadership development and succession planning Annual adoption of UK Modern Slavery Act Statement 	<ul style="list-style-type: none"> Workforce health and safety Climate strategy and progress update Human rights program and performance, including progress on human rights impact assessments and annual adoption of UK Modern Slavery Act Statement Tailings management, including progress implementing the Global Industry Standard on Tailings Management in the Americas Update on PT FE's Grasberg operations human health assessment Social performance and charitable contributions Political spending review Responsible sourcing of minerals program update Stakeholder engagement feedback and update on sustainability initiatives Emerging opportunities on biodiversity and nature
<ul style="list-style-type: none"> Workforce health and safety Workforce recruitment, retention and development, and inclusion and diversity 	
<ul style="list-style-type: none"> Information technology security processes and procedures, including risks and internal controls associated with information technology security and cybersecurity 	

ESG and Annual Executive Compensation

Our CEO has ultimate responsibility for our ESG performance, which includes safety and sustainability. Executive officers are held accountable for our ESG performance in part through our performance-based annual incentive program (AIP). ESG metrics collectively accounted for 20% of the AIP (10% safety and 10% sustainability), with the sustainability metric and inclusion performance metrics associated with the Copper Mark and Molybdenum Mark, climate, human rights, tailings management and nature stewardship. See Executive Officer Compensation – Compensation Details and Analysis – Principal Components of Executive Compensation in 2023 for more information.

25% ESG
 Sustainability
 Safety
 Operational
 Financial
 2023 AIP



Key Examples

Lockheed Martin 2024 Proxy Statement

2+ page, graphic and detailed section following Strategy/People Oversight, without any highlights in the introductory pages; uses headings effectively to show i) that sustainability oversight is managed through a risk lens, ii) key climate goals, iii) transparency and iv) value creation

No separate sustainability section in proxy summary - instead discussed as part of sound corporate governance practices

Board Oversight of Sustainability

The Governance Committee is primarily responsible for the Board's oversight of Lockheed Martin's sustainability efforts. We have a long-standing sustainability program built around fostering innovation, integrity and security across our platforms and services while strengthening communities, caring for the environment and growing responsibly. We do this by integrating sustainability throughout our business strategy, including in operations and product and service innovations. Our 2025 Sustainability Management Plan (SMP), described in this section, provides the framework for this integration, and our efforts are guided by our corporate sustainability policy.

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ABOUT LOCKHEED MARTIN VOTING ROADMAP CORPORATE GOVERNANCE DIRECTOR NOMINEES EXECUTIVE COMPENSATION AUDIT MATTERS STOCKHOLDER PROPOSALS OTHER INFORMATION

We integrate sustainability governance through a risk-management lens

We take an integrated approach to managing corporate culture, ethics and business integrity, governance and sustainability issues through a risk management lens. The Governance Committee is responsible for ultimate oversight of our sustainability program, including regular reviews of performance against the SMP. The Governance Committee also approves the Company's Code of Conduct and reviews our annual sustainability reporting and our topical reporting such as our Human Rights and Climate-Related Risks and Opportunities Report, which are available on our website. Our formal sustainability governance structure is depicted below and its elements are collectively responsible for guiding and implementing our SMP.

<p>Board of Directors</p> <p>Chairman, President and CEO Nominating and Corporate Governance Committee</p> <p>Monitors the Company's adherence to our Code of Ethics and Business Conduct and oversees performance in corporate sustainability, employee safety and health, ethical business practices and diversity and inclusion.</p>	<p>Executive Leadership Team</p> <p>Chairman, President and CEO Chief Operating Officer SVP Business Functions Business Segment Presidents</p> <p>Oversees the sustainability program and enables business segments and functions to pursue and implement opportunities and practices that support the sustainability policy.</p>	<p>Risk and Compliance Committee</p> <p>Chair: Senior Vice President, Ethics and Enterprise Assurance Vice Presidents of Business Segments and Corporate Functions</p> <p>Oversees enterprise risk management to inform Executive Leadership Team and the Board on risk management efforts and provides a forum to review and guide enterprise sustainability initiatives and provides input on SMP execution.</p>	<p>Sustainability Management Team</p> <p>Chair: Director of Sustainability Deputy and Senior Managers responsible for functions related to specific sustainability management plan goals</p> <p>Reviews SMP progress and opportunities for program enhancement and shares internal and external insights and best practices.</p>
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We are committed to promoting climate and environmental stewardship

At Lockheed Martin, climate risks and opportunities impact our long-term resiliency as a leader in global security and aerospace. The Board recognizes that companies have a role in meeting the challenge of mitigating and adapting to climate change risks. We seek to understand and address climate risks while leveraging opportunities to foster a strong business model for the future. At our Board's direction, in 2022 we set—and continue to progress against—the following two aggressive carbon-reduction goals:

<p>Carbon Reduction</p> <p>By 2030, reduce Scope 1 and 2 absolute carbon emissions by 36% from a 2020 baseline.</p>	<p>Renewable Energy</p> <p>By 2030, match 40% of electricity used across Lockheed Martin global operations with electricity produced from renewable sources.</p>
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Our 2030 goals demonstrate our ongoing commitment to improve our carbon strategy and accelerate our carbon reduction efforts. In 2023, we updated our associated Go Green operational goals to reflect these updated commitments and will report on our progress in our next Sustainability Performance Report expected to be released in April 2024.

We are recognized for our transparent corporate sustainability disclosures

Our Board believes transparency is a good corporate governance practice. We have been recognized globally for our sustainability efforts and disclosures. We publish annual sustainability reporting which is prepared in reference to the Global Reporting Initiative (GRI) Standards and undergoes third-party assurance. We also maintain a dedicated sustainability website and disclosure hub, that serves as an online repository for our sustainability-related disclosures, guidelines, policies and webpage links, including select GRI and Sustainability Accounting Standards Board (SASB) indicators. We publish a Climate-Related Risks and Opportunities report, aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, which is available on our website.

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ABOUT LOCKHEED MARTIN VOTING ROADMAP CORPORATE GOVERNANCE DIRECTOR NOMINEES EXECUTIVE COMPENSATION AUDIT MATTERS STOCKHOLDER PROPOSALS OTHER INFORMATION

Our comprehensive sustainability management plan creates value

Our 2025 SMP developed through an extensive core issues assessment using stakeholder input and industry trends and released in 2020, defines our sustainability goals and drives our progress toward them. As depicted below, the SMP is centered around four strategic priorities, each of which has subsidiary core issues. The 2025 SMP includes goals and key performance indicators (KPIs) established for each core issue that reflect stakeholder feedback, internal and external trends, and the continued evolution of our business to create value well into the future. These metrics help focus our efforts in the areas that provide value to our stakeholders and our business. We comprehensively report our progress annually in our Sustainability Performance Report.

We engage with our supply chain to enhance their sustainability efforts

We work closely with suppliers to strengthen our communities and foster responsible growth. Our efforts and accomplishments in these areas during the year-long measuring period ended September 30, 2023 included the following:

21.8 percent or \$6.6 billion of supplier spend was awarded to 7,355 small businesses including:	Rated on "Exceptional" rating from the Defense Contract Management Agency (DCMA) for small business performance on Department of Defense contracts
\$1.3B awarded to woman-owned businesses (both large and small)	\$678M awarded to veteran-owned businesses (both large and small)
\$389M awarded to Asian Nation and Tribal-Owned Corporations	\$378M awarded to service-disabled veteran-owned small businesses

In 2023, we launched the RENEWay program that provides suppliers across the aerospace and defense industry a runway to educational resources and action pathways for reducing carbon emissions by accelerating the adoption of renewable electricity. The program, a partnership with Schneider Electric, provides critical resources and expert consultation for suppliers at any stage of their decarbonization journey to navigate the diverse array of options within the renewable energy market and create a procurement strategy. In the initial launch in 2023, we invited 2,000 small manufacturing suppliers to the program, while making RENEWay available to all suppliers on our website. Suppliers gain critical support and renewable electricity education at no cost to them through corporate sponsorship.

2024 Proxy Statement 26



Key Examples

Healthpeak Properties 2024 Proxy Statement

2-page, graphic-heavy corporate responsibility highlights in introductory pages, with a separate discussion in Oversight section covering both Board oversight and key ESG and HCM initiatives

Proxy Summary

Corporate Responsibility Highlights

We believe that ESG initiatives serve a vital part of value creation and corporate responsibility. For additional information, please read our annual ESG Report or visit our website at healthpeak.com/esg.

Environmental Highlights

We strive to advance our building performance, efficiency, resilience and sustainability by identifying projects that minimize environmental impacts, deliver an acceptable return on investment and reduce operating costs. In 2023, we published our 12th annual ESG Report, aligned with the Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), Global Reporting Initiatives and United Nations Sustainable Development Goals reporting frameworks. In 2023, we reported on the progress of our long-term environmental goals for greenhouse gas emissions (GHG), energy, water, waste and recycling with respect to properties in our operational boundary (Scopes 1 & 2). The recognitions reflected below include those for legacy Healthpeak and Physicians Realty Trust.

**TORA FORT WORTH
FORT WORTH, TX
OUTPATIENT MEDICAL**

Recognitions

- GRESB Green Star Rating (2011-2023)
- CDP Leadership Band (2012-2023)
- DJSI W. America Index Constituent (2012-2023) and World Index (4 times)
- SAP Global Sustainability Yearbook (2016-2023)
- Green Lease Leader - Platinum
- Nareit Leader in the Light - 10-Year Award Recipient
- FTSE4Good Index Series (2012-2023)

GOALS	GHG EMISSIONS REDUCTION (SCIENCE-BASED TARGETS)	ENERGY SAVINGS (BY 2030)*	WATER SAVINGS (BY 2030)**	WASTE (LANDFILL) DIVERSION (BY 2030)**	RECYCLING INCREASE (BY 2030)**
	37.5%	15%	10%	10%	10%
	16.1% achieved Year 1 of 10	5.7% achieved Year 2 of 10	3.3% achieved Year 2 of 10	— Year 2 of 10	6.2% achieved Year 2 of 10

PROGRESS*

* Relative to 2018 baseline, validated by the Science-Based Targets initiative.
 ** Relative to 2021 baseline.

As reported in 2023 for performance for the year ended December 31, 2022, compared using a cumulative "like-for-like" methodology under our "like-for-like" methodology, direct and indirect GHG emissions and energy, water and waste metrics are compared on a year-over-year basis (using Scope 1 and Scope 2 GHG emissions) for the properties that we have owned for two full consecutive calendar years, including non-stabilized developments and redevelopment.

LEED Certifications¹⁾

LEED Certified Space

6.5

Million Sq. Ft.

1) Cumulative for the combined company as of March 31, 2024. LEED®—an acronym for Leadership in Energy and Environmental Design™—and its related logo are trademarks owned by the U.S. Green Building Council® and are used with permission. Learn more at www.usgbc.org/LEED.

ENERGY STAR²⁾

ENERGY STAR PARTNER OF THE YEAR

2023 Partner of the Year

2) We were named an ENERGY STAR Partner of the Year for the third time in 2023. This honor recognizes our leading energy management practices and commitment to advancing energy efficiency across our portfolio.

Proxy Summary

Social Highlights

GENDER DIVERSITY

56%

Female Workforce¹⁾

RACIAL/ETHNIC DIVERSITY

31%

Racially/Ethnically Diverse Workforce²⁾

COMMUNITY ENGAGEMENT

Legacy Healthpeak and Physicians Realty Trust partnered with over 125 community or charitable organizations (in the aggregate) in 2023.

TRAINING AND DEVELOPMENT

Legacy Healthpeak completed company-wide belonging and inclusion training in 2023 with 100% participation.

Recognitions

- Bloomberg Gender-Equity Index Constituent (2019-2023)
- Great Place to Work Certified (2019-2023)
- Orange County Business Journal Best Places to Work (2020, 2022 & 2023)
- The Tenessean Top Workplace (2022 & 2023)
- Fortune Best Places to Work in Real Estate (2022 & 2023)
- Modern Healthcare Best Places to Work (3 Times)

Diversity and Inclusion

We believe we are a stronger organization when our workforce represents a diversity of ideas and experiences. We value and embrace diversity in our employee recruiting, hiring and development practices, including augmenting recruiting practices to hire more diverse talent; conducting company-wide inclusion and belonging training for all employees; and sponsoring programs that support the education and recruitment of underrepresented groups, including through executive speaking engagements at universities, mentorship and financial contributions.

To view our most recently filed EEO-1 Report, visit healthpeak.com/esg/social.

Governance Highlights

- All director nominees, other than Messrs. Byriner and Thomas, are independent.
- Independent female Board Chair
- Average director nominee tenure of 3 years
- Annual director elections with majority voting standard
- Annual Board and committee self-evaluations
- Board diversity, including four female director nominees and one racially diverse director nominee
- Board oversight of corporate culture, human capital management, corporate responsibility, cybersecurity and enterprise risk management
- Codes of Conduct for directors, employees and vendors
- Award-winning ESG reporting practices and robust and transparent disclosures
- Anti-hedging, anti-pledging and clawback policies
- Robust executive officer and director stock ownership requirements
- Director term limit policy to support orderly Board refreshment
- Policy on director time commitments and overboarding aligned with key stakeholder policies and best practices
- Stockholder proxy access rights reflecting market standard terms

Recognitions

- Governance Intelligence and IR Magazine - Winner of Best Proxy Statement (Mid-Cap) (2023)
- Nasdaq's America's Most Responsible Companies List (2019-2023)
- ISS Governance QualityScore - Top Decile
- ISS ESG Corporate Rating - Prime
- MSCI Rating - AA-

Corporate Governance

Communicating with the Board

If you wish to contact members of our Board, the Chair of the Board, any Board committee, or our Independent Directors as a group, you may send written correspondence to our Corporate Secretary at Healthpeak Properties, Inc., 4600 South Syracuse Street, Suite 500, Denver, Colorado 80237. Please clearly note the name(s) of any specific intended Board recipients. If you are a stockholder, please also provide documentation of share ownership and appropriate contact information in all correspondence. Our Corporate Secretary will process and direct your communication to the appropriate member(s) of our Board, other than items unrelated to our Board's duties, such as spam, junk mail, solicitation, employment inquires and similar items (at their request). This centralized process assists our Board in reviewing and responding to stockholder and interested party communications in a more efficient manner.

Corporate Responsibility Initiatives

Our Board believes that integrating ESG initiatives into our strategic business objectives is critical to our long-term success. Through our integrated and ongoing approach to sustainability, we seek to drive positive change and create value for our stakeholders through corporate responsibility and stewardship.

Oversight

BOARD		
Oversees all corporate responsibility matters and receives quarterly updates from management regarding strategy, goals, opportunities, risks, initiatives and results.		
AUDIT COMMITTEE	GOVERNANCE COMMITTEE	COMPENSATION COMMITTEE
Oversees quality and integrity of quantitative public disclosures relating to ESG matters	Oversees our climate risk management, corporate governance and responsibility initiatives	Oversees executive compensation and human capital matters

Focus Areas

Informed by internal assessments and stakeholder engagement, we prioritize the initiatives that we believe matter most to our business and stakeholders, keeping in mind our operational level of control with respect to our properties. Our key performance indicators for these areas include:

Value Creation

- Cost savings
- Tenant attraction and satisfaction
- Sustainable returns

Climate Risk Management	Governance Initiatives	Social Responsibility
<ul style="list-style-type: none"> Efficient buildings to generate savings Proactive green strategies 	<ul style="list-style-type: none"> Best-in-class corporate governance practices Transparency Risk management Ethics and compliance 	<ul style="list-style-type: none"> Diversity and inclusion Talent acquisition, retention and development Employee engagement and satisfaction Community engagement

Corporate Governance

10-Year Sustainability Strategic Roadmap

In 2023, we undertook an extensive review of our sustainability practices and progress and developed a comprehensive 10-year strategic roadmap, with the following specific near-term focus areas:

- Renewable Energy: Enhance renewable energy procurement, including through green utility tariffs, on-site solar, community choice aggregation and/or power purchase agreements
- Decarbonization: Conduct a full inventory of GHG emissions across the newly combined company portfolio to identify data gaps and assist in establishing new long-term GHG emissions reduction targets

Key 2023 Initiatives

- Published our 12th annual ESG Report aligned with several leading reporting frameworks, including TCFD
- Conducted a top-down review and refinement of our sustainability strategy
- Continued implementing projects to achieve our long-term science-based GHG emissions reduction targets, as well as energy, water and waste reduction goals
- Continued focusing on diversity and inclusion initiatives
- 132 new ENERGY STAR certifications and a new LEED certifications in 2023

We are consistently recognized for our corporate responsibility initiatives and disclosure. See "Proxy Summary—Corporate Responsibility Highlights" for a summary of our recent recognitions. To learn more about our ESG efforts, including our industry leadership, view our annual ESG Report at healthpeak.com/esg.

Human Capital Management

Our Board believes that human capital management is vital to the Company's organizational health and is strongly committed to diversity and equal opportunity, with the tone set from the top. The Compensation Committee has oversight over human capital matters, including culture, diversity, inclusion, talent acquisition, retention, employee satisfaction and engagement, succession planning and executive compensation.

Cornerstones of Our Human Capital Management Initiatives

- Diversity and Inclusion:** Makes our organization stronger through a variety of skills, perspectives and backgrounds
- Employee satisfaction and engagement:** Helps us retain top talent and continuously enhance our performance
- Attracting top talent:** Positions us for long-term success
- Training and development:** Helps enhance career and professional development and identify emerging leaders
- Compensation and benefits engagement:** Provides merit-based, equitable compensation to attract, retain and recognize top talent
- Community partnership:** Provides support to charitable organizations and initiatives that share our mission
- Health, safety and wellness:** Protects our most vital assets—our employees—through special training and other measures
- Succession planning:** Ensures that top management positions can be filled without undue interruption

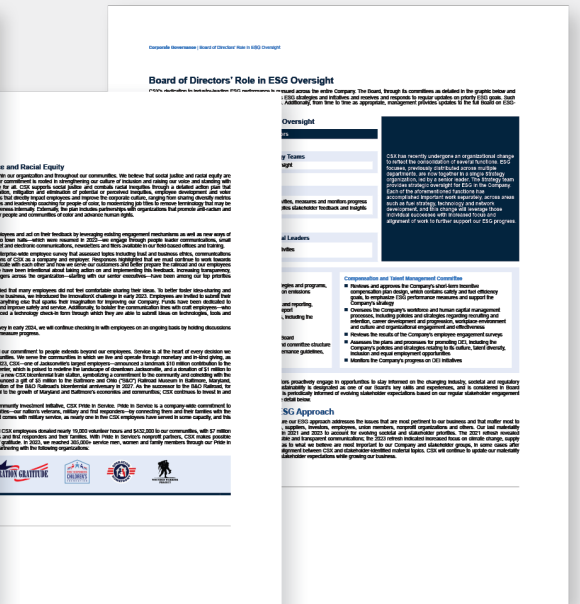
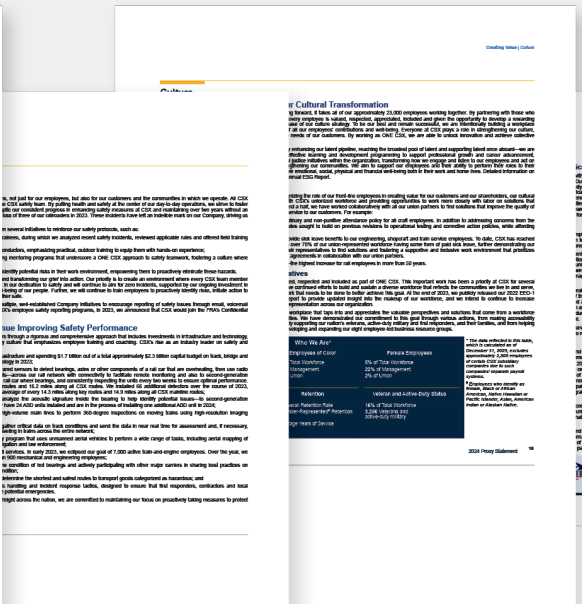
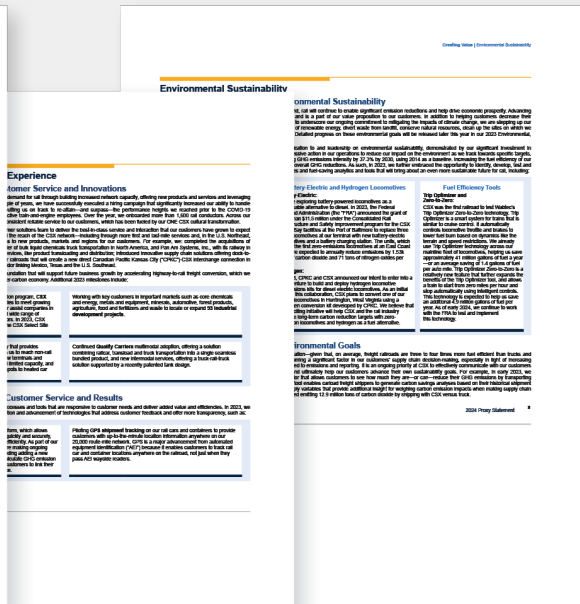
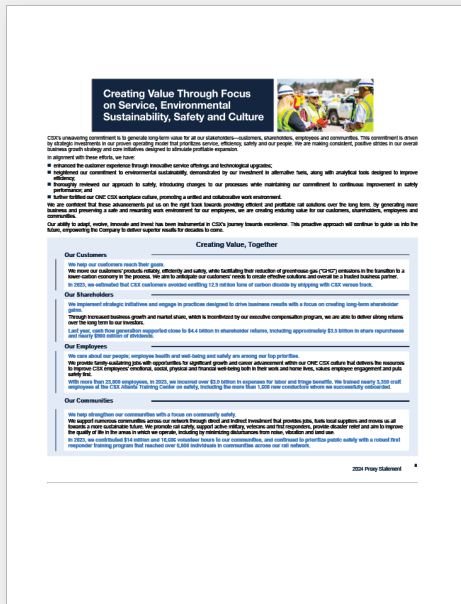


Key Examples

CSX 2024 Proxy Statement



Text-heavy and detailed sustainability section, titled to connect with value creation in the introductory pages, with a separate discussion of ESG oversight by the Board, shown in a tabular format, later in the proxy



Creating Value Through Focus on Service, Environmental Sustainability, Safety and Culture



CSX's enduring commitment to us is to provide long-term value for all our stakeholders—customers, shareholders, employees and communities. This commitment is driven by our purpose: to provide superior service that produces service, efficiency, safety and cost savings. We are creating meaningful, positive impact for our people and communities through innovative service, environmental and safety solutions, and through our commitment to invest in our people and communities.

We are committed to our customers, our employees, our communities, our shareholders and our future. We are committed to our customers, our employees, our communities, our shareholders and our future. We are committed to our customers, our employees, our communities, our shareholders and our future.

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Environmental Sustainability

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Customer Service and Results

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Cultural Transformation

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Board of Directors' Role in ESG Oversight

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ESG Oversight



Approach to HCM

Human capital management disclosures in proxy statements follow a similar protocol as sustainability disclosures. The primary focus is on board oversight, but also including an overview of the company's approach to talent management as it relates to strategy, risk and performance.

Investor Perspective: Human Capital Management

BlackRock (U.S., 1/25)

BIS finds it helpful when companies **discuss how they consider the needs of their workforce today, and the skills required for their future business strategy**. We are also **interested to understand how the board monitors and** engages on these matters, given it is well positioned to ensure that the approach taken by management is informed by and aligns with the company strategy.

Consequently, **we ask companies to demonstrate a robust approach to HCM and provide shareholders with clear and consistent disclosures** to help investors understand how a company's approach aligns with its stated strategy and business model. Some components of HCM are consistent across most companies, such as the approach to diversity, equity, and inclusion ("DEI"). **We ask companies to disclose their approach to DEI as well as workforce demographics, which are baselined by their responses to the U.S. Equal Employment Opportunity Commission's EEO-1 Survey.**

State Street (Global, 3/24)

We believe **quality public disclosure includes the following:**

- **Board oversight** Methods outlining how the board oversees human capital-related risks and opportunities
- **Strategy** Approaches to human capital management and how these advance the long-term business strategy
- **Compensation** Strategies throughout the organization that aim to attract and retain employees, and incentivize contribution to an effective human capital strategy
- **Voice** Channels to ensure the concerns and ideas from workers are solicited and acted upon, and how the workforce is engaged and empowered in the organization, and
- **Diversity, equity, and inclusion** Efforts to advance diversity, equity, and inclusion



Investor Perspective: Human Capital Management

Vanguard (U.S., 2/24)

If [certain criteria is met], a fund is **likely to support the following types of proposals**; . . . Specific to a social risk proposal (not exhaustive):

- Requests **disclosure of workforce demographics** inclusive of gender, racial, and ethnic categories, considering other widely accepted industry standards, and if appropriate under applicable laws and regulations. This could include publishing EEO-1 reports.
- Requests **disclosure of the board's role in overseeing material diversity, equity, and inclusion (DEI) risks or other material social risks** . . .

ISS (U.S. 1/25)

ISS applies a **common approach** globally to evaluating social and environmental proposals which cover a wide range of topics, including . . . **labor standards and human rights, workplace and board diversity** . . . While a variety of factors goes into each analysis, the overall principle guiding all vote recommendations focuses on how the proposal may **enhance or protect shareholder value in either the short or long term**.

Generally vote for proposals requesting a company **disclose its diversity policies or initiatives**, or proposals requesting disclosure of a company's comprehensive **workforce diversity data**, including requests for EEO-1 data . . .

Glass Lewis (U.S. 2025)

Glass Lewis believes that companies should ensure that boards maintain clear oversight of material risks to their operations, including those that are environmental and social in nature. These risks could include, but are not limited to, matters related to climate change, **human capital management, diversity**, stakeholder relations, and **health, safety & environment**.



Human Capital Management (HCM)

Investors' focus on human capital management predates the SEC rules on the subject that went into effect in 2020. The SEC's principles-based approach requires, if material to a business, disclosure in the Form 10-K of a company's human capital resources, measures, and objectives that a company focuses on in managing its business (such as measures that address the development, attraction, and retention of employees). Most companies also provide an overview of the company's human capital management strategies—including the board's oversight role—in the proxy.

What to Think About

Shareholders expect robust disclosure about a company's human capital management programs, and they use engagement and shareholder proposals expeditiously to advance their human capital agendas.

Investors want to understand the company's approach to HCM, the board's related oversight processes, and how a company's approach aligns with their strategy and business model.

In addition to SEC rulemaking, the global pandemic and increasingly polarizing political issues have elevated the importance of the employer-employee relationship. HCM disclosures need to address this, acknowledging the link between an engaged, productive workforce and strategic execution.

Level of detail: As with other sustainability-related disclosures, the principal question is what level of detail is appropriate for the proxy. Some companies are including multi-page disclosures, while others provide a shorter highlights section.

- **Use of infographics and callouts:** Regardless of length, effective HCM sections use icons, infographics, and callouts to highlight key information.

What to cover: We believe, at a minimum, the proxy statement should address

- **Strategy:** the importance of talent to the company's long-term strategy, including any related risks.
- **Oversight:** the board's role in overseeing talent-related policies and practices.

- We recommend demonstrating board engagement by describing the frequency of reviews and opportunities for direct employee interactions.
- This disclosure may reside with the other governance disclosures about board oversight responsibilities or together with HCM highlights.
- **HCM pillars & initiatives:** Common topics in recent years included:
 - Talent acquisition, retention, engagement, and development
 - with detail on turnover, engagement survey results, training
 - Diversity, equity, and inclusion with workforce representation data (often broken down by management and the broader workforce), and related pay equity policies.
- Pay and other elements that a company uses to incentivize its workforce.
- Health and wellness (including mental health and programs that promote financial wellbeing).
- Workplace safety.
- Work-from-home and hybrid work arrangements (i.e., post-pandemic "new world of work").
- External awards and recognition.

Recent shareholder proposals have advanced workplace diversity reports (including EEO-1 data) and gender/racial pay gap reports. Other proposals have requested disclosures on workplace sexual harassment, employment practices, and concealment clauses. Disclosure practices often follow shareholder proposal trends.



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Labrador Transparency

Award Criteria

- The document includes a section, subsection or callout discussing the board's role in oversight of human capital management.

Looking Ahead

During the 2024 proxy season, shareholder proponents asked for a variety of enhanced practices and disclosures related to HCM, ranging from reports on the effectiveness of DEI efforts or gender/racial pay gaps, third-party racial equity or civil rights audits, oversight of workplace health and safety, labor organizing rights, and prevention of workplace harassment and discrimination. More targeted proposals focused on issues of relevance to a particular industry or that have been the subject of recent national debate, such as the human rights risks related to conducting operations in China or the risks of restrictive reproductive healthcare legislation on a company's workforce and operations.

Companies should review these proposal trends and identify disclosure opportunities related to the risks most relevant to their business. Companies should also seek advice of counsel to understand potential risks, particularly related to recent anti-DEI sentiment (including shareholder proposals in the 2025 proxy season to rollback DEI programs) and legal challenges.



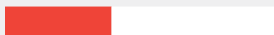
[Table of Contents](#) [Topic Table of Contents](#)

Benchmarking

HCM Oversight

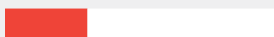
40.0%

The document includes a dedicated section, subsection or callout discussing the board's role in oversight of HCM



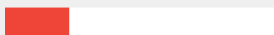
31.0%

The document discusses the role of a specific committee in oversight of HCM



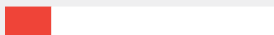
25.0%

The document discusses the management's role in oversight of HCM



18.0%

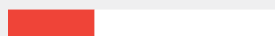
The frequency of reporting HCM from management to board is disclosed



Location of HCM oversight discussion:

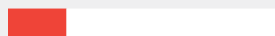
32.5%

Within risk oversight in Corporate Governance section



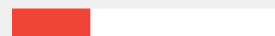
22.5%

Within ESG disclosures section



30.0%

Within separate section in Corporate Governance section



HCM Highlights/Summary

58.0%

Compensation program overview or highlights (changes)



Location of HCM highlights/summary

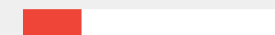
48.3%

Within social or governance or generally part of the ESG disclosures



22.4%

Within the Corporate Governance section



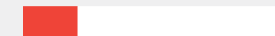
22.4%

Within its own section in ESG disclosure



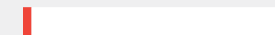
20.7%

Within proxy summary/introductory pages



3.4%

Within CD&A





Benchmarking

Diversity, Equity & Inclusion:

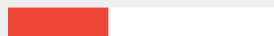
94.8%

Discusses DEI



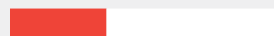
37.9%

States DEI goals



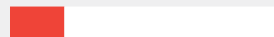
36.2%

Includes qualitative (actions) progress against goals



20.7%

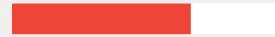
Includes quantitative (measurement/data) progress against goals



Other HCM topics:

67.2%

Training and development



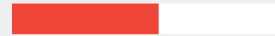
60.3%

Health and wellbeing



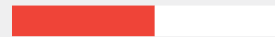
55.2%

Employee engagement



53.4%

Values and culture



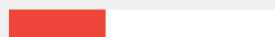
44.8%

Safety



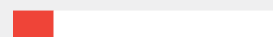
36.2%

Recruitment and retention



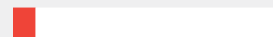
15.5%

Compensation and benefits



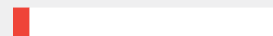
8.6%

Pay equity



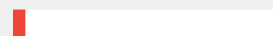
6.9%

Social and community impact



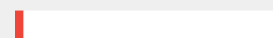
5.2%

Retention and turnover data



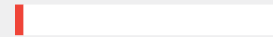
3.4%

Code of conduct/ethics



3.4%

Flexible/hybrid work environment



Management Succession

63.0%

The document includes a dedicated section, sub-section or callout discussing the board's role in management succession planning



Location of management succession discussion:

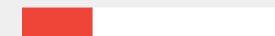
55.6%

Separate section



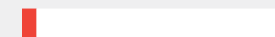
27.0%

Within risk oversight section of Corporate Governance



6.3%

Subsection within HCM section





Key Examples

PayPal 2024 Proxy Statement

Subsection of a standalone ESG section that covers global talent strategy, acquisition and retention, and belonging; note that in prior years, PayPal addressed that final topic as "diversity, equity, inclusion & belonging", but now DEI are shown to support its overarching talent and belonging strategy (separate section on succession planning, following Board oversight, and discusses prior 2 years of executive succession)

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CORPORATE SUSTAINABILITY AND IMPACT OVERSIGHT AND MANAGEMENT
Corporate Sustainability and Impact Strategy

Corporate Sustainability and Impact Reporting Frameworks

As part of our commitment to transparency, we strive for alignment with those non-financial reporting frameworks most applicable to our business and most important to our stakeholders. Our Global Impact Report provides specific reporting of our CSI programs, policies and metrics mapped to Global Reporting Initiative standards and Sustainability Accounting Standards Board standards, as applicable. We also provide climate-related disclosures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), and seek to provide clear reporting on associated governance, strategy, risk management and targets through our TCFD Index.

Human Capital Management

PayPal's mission to revolutionize commerce globally guides our efforts to make the investment and management of money as simple, secure and affordable as possible. Our business strategy is supported by our core values of Inclusion, Innovation, Collaboration and Wellness, and advanced through our Leadership Principles, which outline a common set of expectations for all employees.

Our Leadership Principles

Put people first

- Build the next generation, unlocking their superpowers
- Provide and seek constructive feedback – clear is kind
- Choose inclusion and foster belonging

Work customer back

- Focus on our customers' greatest needs, sweating every detail
- Solve with tech and innovation
- Create simple and valuable customer experiences

Win together

- Do the right thing
- Operate with velocity and an ownership mindset
- Deliver great end-to-end results
- Work as One PayPal

Integrated with Our Values: Inclusion | Innovation | Collaboration | Wellness

PayPal | 2024 Proxy Statement

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CORPORATE SUSTAINABILITY AND IMPACT OVERSIGHT AND MANAGEMENT
Human Capital Management

Global Talent Strategy

PayPal recognizes the fundamental importance to our business of attracting, recruiting, developing and retaining diverse talent through a comprehensive approach to managing our global talent (human capital). This approach enables us to create innovative products and services for our customers and to serve our stockholders and other stakeholders. The Compensation Committee oversees our approach to global talent, which is managed by our EVP, Chief People Officer, and receives regular reports from management with respect to our global talent strategy.

We remain focused on supporting our employees across the full employee lifecycle from recruitment, onboarding, and development to offboarding. We are focused on actively listening to our workforce, broadening our talent pipeline, promoting the physical, mental and financial wellness of our employees and enabling flexibility and collaboration in an evolving work environment.

ENGAGEMENT			
ATTRACT Right people	DEVELOP Right capabilities	MOBILE Right workforce	REWARDS & WELLNESS
Recruitment and selection of talent fulfilling the talent needs necessary to execute on business strategy.	Developing talent to ensure they have the critical skills and capabilities to excel in current and future roles.	Aligning talent for business growth through internal mobility, redeployment, equipment and retirement.	Supporting talent through an integrated approach to financial, physical and mental wellness and a pay-for-performance compensation strategy.
BELONGING			

Talent Acquisition, Development & Retention

As a leading technology platform that creates digital payments and simplifies commerce experiences, we compete for talent around the world. We are focused on creating an employee experience that actively engages our people at every phase of their career and supports the acquisition, development and retention of top talent.

In 2023, we continued to enhance our Global Talent Acquisition strategy to create a more candidate-centric and inclusive experience for prospective talent, while creating efficiencies for our managers through new tools and resources. We also implemented programs focused on inclusive hiring practices and extending our talent pipeline. In addition, we also enhanced the training and development opportunities available to employees, providing new resources to support employees' individual career paths and strengthen specialized skills development.

Employee Total Wellness

PayPal remained focused on promoting the holistic wellness of our employees through resources, programs and services in support of their physical, mental and financial wellness. We aim to foster a flexible, balanced work culture, and to take a comprehensive approach to leave and benefits.

In 2023, we continued to provide employees with benefits and resources designed to allow them to make informed decisions about their health, including launching a healthcare concierge to help employees navigate the U.S. healthcare system. To support employee mental health, we piloted dedicated part-time Employee Assistance Program (EAP) counselors to support employees' emotional wellbeing in select markets and provided resources from external partners, such as webinars and moderated sessions, focused on targeted mental wellbeing topics.

We also continued our efforts to strengthen employees' financial wellness through access to benefits, tools and trainings to support financial planning.

Through our global community impact program, we support our employees' individual passions and communities by providing opportunities for volunteerism, charitable giving and other engagement programs. In 2023, employees supported nonprofits by donating more than \$4 million, including matching eligible employee donations to nonprofit organizations.

PayPal | 2024 Proxy Statement

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CORPORATE SUSTAINABILITY AND IMPACT OVERSIGHT AND MANAGEMENT
Human Capital Management

Belonging Strategy

We are committed to fostering a culture of belonging and inclusion where employees can be their authentic selves, enabling greater collaboration and innovation as we develop products and services to meet the needs of our diverse customer base. We are committed to equal pay for equal work, providing enterprise-wide inclusive learning opportunities and further integrating Belonging considerations into our talent strategy.

Belonging

The feeling of security and support when there is a sense of acceptance, inclusion and equity.

Diversity

The value we each bring based on our individual characteristics and traits. It's who we are.

Inclusion

Our commitment to respect, appreciate and value the diversity amongst us. Inclusion requires action.

Equity

Our established strategies, policies and practices that maximize careers in the workplace.

Our global Talent & Belonging team, in partnership with functional leadership through our Belonging Business Council, took tangible actions toward growing our diverse workforce reflective of the merchants, consumers and communities that we serve. In 2023, we continued to promote effective sponsorship and inclusive performance management and expanded our enterprise sponsorship program. We also continued to incorporate Belonging considerations into the individual performance portion of our 2023 Annual Incentive Program for our senior executives. PayPal also empowers eight employee resource groups, which are open to all employees, to drive engagement and support our business and talent strategies.

Our commitment is evident through diverse representation across our organization – from our Board of Directors to our executive leadership team to our global workforce. As of March 27, 2024, 50% of our Board and 71% of our current executive officers identified as women and/or from a diverse ethnic group. Across our workforce, we reached 55% overall diverse workforce representation, including 43% global gender diversity and 44% U.S. ethnic diversity, as of December 31, 2023.

Additional workforce diversity metrics can be found in our public U.S. EEO-1 reports and annual Global Impact Report available at <https://about.paypal.com/values-in-action/2023/03/2023-eoofr>.

PayPal | 2024 Proxy Statement



Key Examples

Honeywell 2024 Proxy Statement



Standalone section under Risk Oversight - includes DEI spotlight and discussions on ethics, insider trading and human rights (separate section on succession planning - see above)

OVERSIGHT OF HUMAN CAPITAL AND CULTURE

The Board and the MDCC provide oversight over human capital, with particular focus on culture, inclusion and diversity, talent development and succession planning. Honeywell has built a reputation for "doing what we say." At the center of that commitment to excellence is a high-performance culture driven by the Six Honeywell Behaviors: Drive Accountability Culture, Drive Exceptional Talent, Win Together, Innovate and Create Value for Customers, and Embrace Transformation, and grounded in our Foundational Principles: Integrity and Ethics, Inclusion and Diversity, and Workplace Respect — these are our core values. Working at Honeywell requires fully embracing the Foundational Principles, and Honeywell expects all employees to exemplify these principles in words and actions.

FOUNDATIONAL PRINCIPLES

INTEGRITY AND ETHICS | INCLUSION AND DIVERSITY | WORKPLACE RESPECT

ACT WITH INTEGRITY

DRIVE ACCOUNTABILITY CULTURE | WIN TOGETHER | INNOVATE AND CREATE VALUE FOR CUSTOMERS | EMBRACE TRANSFORMATION | ONEWELL

The strength of the Company's culture is essential to fulfilling our strategic vision, and the Board and the MDCC work with management to oversee adherence to our core values and measure progress against the Honeywell Behaviors.

- Each of the Board's committees plays a role in ensuring that our core values remain at the center of Honeywell's culture.
- The CSRC meets regularly with our Chief Compliance Officer to review the Company's integrity and compliance program, policies, and scored.
- The Audit Committee receives detailed investigation reports on a quarterly basis to monitor trends, ensure that allegations are investigated promptly, and as necessary, confirm that appropriate disciplinary measures are taken in a timely fashion.
- The MDCC has responsibility for CEO and officer succession and development, working with management to monitor workplace culture, establish diversity expectations, and review progress.

The Board is also closely engaged in the development and management of human capital. The Board's involvement in leadership development and succession planning is systematic and ongoing, and the Board provides input on important decisions in each of these areas. The Board has primary responsibility for CEO succession planning and oversight over succession planning for other executive officer positions. Annually, the full Board reviews the leadership succession plan for the CEO and the CEO's direct reports, which includes identification of "ready now" successors, management's view of potential successors that are not "ready now" but will be ready within a reasonable timeframe, and development actions necessary to address any gaps in the leadership succession plan. Also discussed are recent and future potential changes involving various leaders and their organizations. In addition, the Board meets regularly with high-potential executives.

The Board believes that workforce diversity represents a fundamental business opportunity as the Company plans and executes its long-term strategy. The Board and the MDCC oversee the Company's progress and actions in this important area through engagement in succession planning, management development, and compensation review processes that take into account outcomes and metrics for diverse groups. Review of diversity performance is also a standing Board agenda item, providing an opportunity for the Board to engage directly with senior management to analyze workforce metrics that measure diversity of new hires and internal promotions as compared to that of the available pool of qualified talent, discuss trends, review Office of Federal Contract Compliance Programs audits, and oversee enterprise-wide efforts to drive hiring, promotion, and retention of diverse talent.

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SPOTLIGHT ON WORKFORCE DIVERSITY⁽¹⁾

WOMEN IN THE GLOBAL WORKFORCE

Year	Executives	Other Managers	Total Workforce
2021	28.1%	28.1%	28.1%
2022	28.1%	28.1%	28.1%
2023	28.1%	28.1%	28.1%

PEOPLE OF COLOR (POC) IN THE U.S. WORKFORCE

Year	Executives	Other Managers	Total Workforce
2021	10.1%	10.1%	10.1%
2022	10.1%	10.1%	10.1%
2023	10.1%	10.1%	10.1%

EXECUTIVE LEADERSHIP DIVERSITY⁽²⁾

WOMEN
28.4%
Compared to 24.7% in 2020

PEOPLE OF COLOR
26.8%
Compared to 19.9% in 2020

(1) As of December 31, 2023, unless otherwise indicated. Excludes Sandia National Laboratories (Sandia) and Kansas City National Security Campus (KCNSC) workforces. Sandia and KCNSC are U.S. Department of Energy facilities. Honeywell manages these facilities as a contract operator and does not establish or control their human resources policies. APY represents Asian or Pacific Islander. The minimum category represents executive-level employees.

(2) Sum of percentages is less than 100% due to rounding.

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INTEGRITY AND ETHICS

At the core of Honeywell's Foundational Principles is the Company's Code of Business Conduct (the Code), which applies to all directors, officers (including our Chief Executive Officer, Chief Financial Officer, and Controller), and employees across the Company in all businesses and in all countries. The Code is a baseline set of requirements that enables employees to recognize and be aware of how to report integrity, compliance, and legal issues. In addition, the Code sets forth its commitment to maintaining an inclusive, safe, and respectful environment and outlines our pledge to zero tolerance for harassment and unlawful discrimination.

The Code provides guidance and expectations in a number of key integrity and compliance areas, including how employees should treat each other; conflicts of interest, health, safety, environmental, product stewardship, and sustainability (HSEPS); books and records; anti-corruption; proper business practices; trade compliance; insider trading; data privacy; respect for human rights; and the appropriate use of information technology and social media. To reinforce the Code, Honeywell provides comprehensive training on key compliance topics, develops training scenarios, deploys monthly manager communication toolkits, provides mechanisms for employees and third parties to report concerns (including anonymously), and ensures timely and fair reviews of integrity and compliance concerns through a bias-free process to report and investigate allegations. Honeywell responds to 100% of reported allegations.

Any amendments or revisions to the Code will be published on the Company website. Any waiver of the Code for any of Honeywell's directors or executive officers requires pre-approval from the Board and if granted, the Board ensures that appropriate controls are in place to protect the Company and its shareholders. All officers and employees must complete Code of Conduct training and, where permitted by law, must also certify each year that they will comply with the Code. In 2023, the Company received Code contributions from 100% of its officers and eligible employees, where permitted by law. Honeywell's Code of Conduct training includes a variety of topics, including conflicts of interest, workplace respect, anti-corruption, cybersecurity, and data privacy.

Honeywell is committed to fostering a culture of integrity, ethics, and workplace respect by setting the tone at the top and by unambiguously and repeatedly reinforcing its expectations. Honeywell also empowers our people managers to communicate openly with their team members regarding the importance of conducting themselves with integrity and fostering an environment that encourages candid discussion of integrity and compliance topics and how to raise and report any instances of ethical misconduct. The Integrity and Compliance team delivers integrity awareness communications across Honeywell, including through town halls, newsletters, and monthly integrity-awareness manager toolkits that provide people managers with ready-to-use materials to support discussions of integrity and compliance topics with their teams.

Additional details about the Code, the Supplier Code of Business Conduct, and other components of Honeywell's integrity and compliance program can be found on our website at investor.honeywell.com (see "ESG/Integrity and Compliance").

INSIDER TRADING POLICIES AND PROCEDURES

The Board has adopted an insider trading policy (Insider Trading Policy) that applies to all of the Company's directors, officers, and employees, as well as certain other designated individuals, to prevent the misuse of confidential information about the Company, as well as other companies with which the Company has a business relationship, and to promote compliance with all applicable securities laws. Among other things, the Insider Trading Policy prohibits engaging in transactions in securities based on material non-public information and prohibits directors, executive officers, and certain other employees from buying or selling the Company's securities during certain periods, except pursuant to an approved trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (Rule 10b5-1). In addition, certain individuals, including directors and officers, are required to receive prior approval from the Chairman and pre-clearance from the Corporate Secretary prior to engaging in transactions in the Company's securities. The Insider Trading Policy also sets forth mandatory guidelines that apply to all executive officers, directors, and employees of the Company who adopt Rule 10b5-1 plans for trading in the Company's securities, which are intended to ensure compliance with Rule 10b5-1 and to conform to best practices with respect to the design and implementation of Rule 10b5-1 plans.

HUMAN RIGHTS

Honeywell is committed to treating people with respect and fostering a positive and respectful workplace environment. Our Code of Business Conduct, Supplier Code of Conduct, and our Human Rights Policy address a broad range of human and workplace rights in our global operations and apply globally to ensure fairness, ethical behavior, dignity, and respect. Honeywell has implemented policies and processes to help fulfill its human rights commitments. Our Human Rights Policy applies to all Honeywell workers worldwide, including contingent workers, agents, and candidates for hire. Honeywell also requires suppliers to uphold the human rights principles described in Honeywell's Supplier Code of Conduct. Key elements of our Human Rights Policy include inclusion and diversity, workplace respect, freedom of association, a safe and healthy workplace, workplace security, work hours and wages, forced labor and human trafficking, child labor, and rights of local communities and those who live and work there. Honeywell's human rights commitments can be found on our website at investor.honeywell.com (see "ESG/Integrity and Compliance").

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Key Examples

Lockheed Martin 2024 Proxy Statement

2+ pages of "Board Oversight of Our Business and People Strategy" that follows risk oversight section; shows strong alignment between effective HCM practices and executing on business strategy; also highlights DEI efforts

ABOUT LOCKHEED MARTIN VOTING ROADMAP CORPORATE GOVERNANCE DIRECTOR NOMINEES EXECUTIVE COMPENSATION AUDIT MATTERS STOCKHOLDER PROPOSALS OTHER INFORMATION

• We conduct risk-based anti-corruption due diligence, subject to audit, before entering relationships with third parties, including business development and strategic business consultants. We require international consultants to undergo training on our Code of Conduct and associated business conduct and anti-corruption policies. We will walk away from business rather than risk violating anti-corruption laws and our corporate values.

• Our robust trade compliance program is designed to ensure that sales of our products are conducted in accordance with all international trade laws and regulations of the United States and each foreign country in which we operate.

• We provide oversight of our standards and controls by providing mandatory training, including training on combating human trafficking, to our employees and trusted governance mechanisms, providing resources and support to our suppliers, and aligning the interests of employees and suppliers with established frameworks. We encourage our employees, suppliers and the general public to report potential human rights violations through our anonymous ethics hotline. We also communicate our expectations to suppliers that they implement supply chain due diligence processes related to conflict minerals in their products.

• International military sales are regulated by the U.S. Government and reviewed and approved by the Executive Branch and subject to Congressional oversight. This includes consideration of whether any arms transfer contributes to the risk of human rights abuses and whether they are being used in potential conflict-affected regions. Specifically, the U.S. Conventional Arms Transfer Policy provides that in making arms transfer decisions, the Executive Branch shall consider the national security of the U.S., the effect on the U.S. defense industrial base and U.S. innovation, the relationships with allies and partners, human rights and international humanitarian law and nonproliferation and other factors. Further, the Leahy Law precludes U.S. government support to units of foreign security services that have been implicated by credible information to have been involved with gross human rights violations, and the DOD has established a Civilian Harm Mitigation and Response Action Plan supportive of human rights.

• Additionally, in the Foreign Military Sales (FMS) process, through which we generate the majority of our international sales, the Executive Branch reviews use of our products by non-U.S. customers for compliance with applicable U.S. laws, including the Arms Export Control Act, including for potential human rights violations.

Board Oversight of Our Business and People Strategy

The Board takes an active role in overseeing strategic planning

The cornerstone of the Board's strategic planning oversight is an annual multi-day session dedicated to a discussion of the Company's strategy, one-year plan and multi-year long-range plan. The Chairman, President and CEO regularly reviews developments against the Company's strategic framework at Board meetings and provides updates between regularly-scheduled sessions, as necessary, and the CEO and CFO regularly share updates and solicit input on the Company's operational and financial performance against its strategic framework and near-term and long-range plans. Board engagement is integrated into management's annual schedule for developing the long-range plan and gives the Board the opportunity to provide input while the long-range plan is being developed and to monitor progress on the plan. In addition, the Board and its committees (as applicable):

- Review the progress and challenges to the Company's strategy and approves specific initiatives, including investments, acquisitions, divestitures and capital expenditures over a certain monetary threshold;
- Review trends identified as significant risks and topical items of strategic interest, such as the Company's people strategy and cybersecurity, on a regular basis;
- Hold at least one meeting per year at a Company facility where directors can tour the operations, engage directly with employees and experience firsthand the Company's culture; and
- Meet with senior management on a rotating basis, including business segment presidents who present to the Board, and business segment chief financial officers who present to the Audit Committee.

The Board discusses management succession planning regularly

Our Board is actively engaged in management succession planning and views CEO succession planning as one of its core responsibilities. Annually, the Board meets to review our succession strategy and leadership pipeline for key roles, taking into account the Company's long-term corporate strategy. CEO succession planning discussions are led by the Independent Lead Director and the Board members have direct access to and interaction with members of senior management and high-potential future leaders as part of this succession planning. This activity includes informal and one-on-one settings to enable directors to personally assess potential candidates and cultivate future leaders. The Board of Directors maintains a succession plan for the CEO and other key members of management and has a contingency plan in the event of an unexpected departure. Company policy imposes a mandatory retirement age of 65 for all executive officers other than the CEO. The CEO's tenure is at the discretion of the independent members of the Board.

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ABOUT LOCKHEED MARTIN VOTING ROADMAP CORPORATE GOVERNANCE DIRECTOR NOMINEES EXECUTIVE COMPENSATION AUDIT MATTERS STOCKHOLDER PROPOSALS OTHER INFORMATION

We have aligned our people strategy with our business strategy

The Board understands that our workforce is a critical asset integral to Lockheed Martin's business strategy. Due to the specialized nature of our business, our performance depends on identifying, attracting, developing, motivating and retaining a highly skilled, diverse, inclusive workforce in multiple areas, including engineering, science, manufacturing, information technology, cybersecurity, business development, strategy and management. The Board oversees the Company's people strategy in several ways, including:

- Receiving an Annual Briefing from the Senior Vice President & Chief Human Resources Officer on the Company's people strategy, including measures used to manage our workforce such as critical skills, demographics, representation, attrition, hiring, promotions, leadership development and talent management, and results from our employee census surveys where we obtain feedback and insight directly from our workforce.
- Including people strategy-related commitments in the management annual incentive program through strategic and operational performance commitments; and
- Engaging with senior executives and high-potential talent as part of its talent development and succession planning efforts.

Our 2023 people strategy focused on three key priorities: Maximize Talent; Advance Technology; and Optimize Culture. In 2024 and beyond, we continue to execute on the Lockheed Martin people strategy and its three strategic imperatives to accelerate transformation.

MAXIMIZE TALENT

- Acquire and Retain Top Diverse Talent at All Levels
- Elevate Technical Talent to Accelerate 21st Century Security Vision
- Increase Executive Successor Pipeline
- Deliver Agile Employee and Leader Development
- Develop and Deploy Competitive Total Rewards Solutions

ADVANCE TECHNOLOGY

- Moderate Human Capital Systems to Drive Process Efficiency
- Transform Secured Collaboration Tools and Facilities
- Increase Data Analytic Capability and Transparency
- Transform and Enhance the Hiring and New Employee Experience

OPTIMIZE CULTURE

- Strengthen Inclusion, Engagement, Diversity and Belonging
- Evolve our Culture to Accelerate O&M Collaboration and Our Business Strategy
- Accelerate LfMForward (an initiative for long-term work and facility solutions for the future)
- Cultivate Union and Representative Employee Engagement and Collaboration
- Leverage Multi-Media Communications to Deepen Employee Mission Connection

Our Company builds diverse, high-performing teams

Our 21st Century Security vision demands high performing and diverse teams. We believe that the highest levels of performance are achieved when employees connect with our customers' missions, embrace a growth mindset to evolve our business and culture, possess and grow the technical skills needed to be competitive, represent a diverse range of perspectives and experiences and foster an inclusive culture. We are intentional about building high-performing teams and we provide tailored education and engagement programs for our global workforce.

We believe that diversity and inclusion is a business imperative key to our future and to actively attract, develop and retain a diverse talent pipeline, provide tailored education and engagement programs—including within our recruitment process where we work to attract and create pathways for diverse talent by partnering with Minority-Serving Institutions, strengthening STEM pipelines and providing our recruits with tools to recruit inclusively—and maintain dedicated resources across our business.

2024 Proxy Statement

ABOUT LOCKHEED MARTIN VOTING ROADMAP CORPORATE GOVERNANCE DIRECTOR NOMINEES EXECUTIVE COMPENSATION AUDIT MATTERS STOCKHOLDER PROPOSALS OTHER INFORMATION

Business Resource Groups (BRGs) remain a strategic enabler of our people strategy. They are open to all employees and are aligned to the demographic categories that we annually report on to the U.S. government, including race/ethnicity, gender, disability and veteran status, and other categories that help us gain a deeper understanding of our workforce to include military service, sexual-orientation and gender identity (which are not part of our annual government submissions). The BRGs foster a diverse and inclusive workplace aligned with our organizational values, goals and business practices and drive awareness and change within our organization. Our commitment to the BRGs is demonstrated through our assignment of executive sponsors, our investments in programming, and the formal policies and management we have established to support their governance. Several of our Board members have participated in our BRGs, including Gen. Dunford (MILVets Forum) and Mr. Johnson (Black Excellence Council). In addition, Mr. Tackett engages with the BRGs through their annual leadership forums. Our Executive Inclusion Council, comprised of the Company's most senior leaders, reinforces diversity and inclusion as imperative business drivers by becoming advocates and supporting diversity and inclusion within their business segment and key functions.

Through these and other focused efforts, we have improved the diversity of our overall U.S. workforce and within leadership positions, specifically in the representation of women, people of color and people with disabilities. Additionally, veteran representation in our workforce remains outstanding, at almost four times the current annual national percentage of veterans in the civilian workforce.

Employee Profile (as of December 31, 2023):

	Women ⁽¹⁾	People of Color ⁽²⁾	Veterans ⁽³⁾	People with Disabilities ⁽⁴⁾
Overall	23%	32%	21%	12%
Executives ⁽⁵⁾	23%	17%	21%	13%

⁽¹⁾ Based on employees who self-identify. Includes only U.S. employees and excludes except for women, which also includes local country nationals. Excludes casual workers, interns/co-op and employees of certain subsidiaries and joint ventures.

⁽²⁾ Executive is defined as director-level (one level below vice president) or higher.

In addition to these diversity metrics, we publish our annual EEO-1 report data on our website and expect to continue to do so each year. Publication of our EEO-1 data increases transparency and demonstrates our responsiveness to investors.

Our 2023 diversity and inclusion achievements include:

RECRUITING TOP TALENT

- Continued improvement of workforce diversity as compared to industry benchmarks
- Selected #1 among Top Supporters of Historically Black Colleges & University Engineering Institutions for 9th consecutive year

FOSTERING AN INCLUSIVE WORKPLACE

- Recognized as a Best Place to Work for LGBT Equality on the Human Rights Campaign's Corporate Equality Index for 16th consecutive year
- Selected as a Top 50 Employer in Woman Engineer Magazine
- Ranked Top 10 on Forbes' Best Employers for Veterans List

SUPPORTING STEM EDUCATION

- Contributed nearly \$16 million to nonprofit programs focused on STEM career readiness and access, including groups historically underrepresented in STEM disciplines
- \$1.8 million supported Minority-Serving Institutions to enhance student recruitment/retention, summer bridge programs and other computational science, cyber and engineering efforts

Board Oversight of Sustainability

The Governance Committee is primarily responsible for the Board's oversight of Lockheed Martin's sustainability efforts. We have a long-standing sustainability program built around fostering innovation, integrity and security across our platforms and services while strengthening communities, caring for the environment and growing responsibly. We do this by integrating sustainability throughout our business strategy, including in operations and product and service innovations. Our 2025 Sustainability Management Plan (SMP), described in this section, provides the framework for this integration, and our efforts are guided by our corporate sustainability policy.

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Key Examples

Robinhood 2024 Proxy Statement



2 pages of HCM discussion (separate section within corporate governance) - in line with its mission to "democratize finance for all," this section, as well many other sections of the proxy, displays a large callout box that includes an explanation of HCM and why investors should care about it (separate, short section on succession planning)

Intel 2024 Proxy Statement



1-page, data-heavy overview of HCM initiatives in the introductory pages, plus later discussion of Board oversight, including number of directors with relevant experience (and includes succession planning)

Human Capital Management

Attracting, developing, and retaining diverse talent is critical to delivering on our mission. We strive for our workforce to reflect our customer base and demographics everywhere. The People Committee seeks the Board in its oversight of the Company's policies and strategies relating to workplace culture and HCM, including the Company's commitment to DEI and the Company's DEI policies and initiatives.

Attracting Talent

Not only does Robinhood seek to promote financial inclusion through our products, we also seek to promote inclusion through our employees. We offer a wide range of benefits designed to ensure hoodies are supported and that we attract and retain the best talent. We provide tools, opportunities, and support for career and personal growth, as well as ongoing Company initiatives to maintain strong employee engagement. At Robinhood, we actively work to develop an inclusive, equitable, and diverse culture of belonging.

Growth, Motivation, & Retention

Learning and Development

The professional growth of our people is essential to the growth of our business and we aim to empower all Robinhood employees to reach their full potential. We support job-specific capabilities and training to help develop behavioral and leadership capabilities for all employees. We offer a variety of formal and informal development and skills building opportunities to our managers. For example, we have a leadership development program for all managers to support them in their growth and development as leaders at Robinhood.

Employee Engagement

We seek to champion a culture that is open and honest. During our weekly "all-hands" meetings, every employee has the opportunity to ask a question of our senior leadership. To ensure we provide a fair opportunity for our employees, we measure employee sentiment on organizational culture, inclusion, and engagement and set us to ensure our talent is engaged in our future success.

Our efforts include:

- offering sessions for all employees on critical topics, including giving and receiving feedback, how to have meaningful performance conversations, and solid career development, to name a few.
- offering role-specific training, particularly for customer support associates and engineering roles.
- offering a variety of formal and informal development opportunities to our managers.
- coaching for our tenured leaders; and
- providing opportunities to increase belonging, apply leadership skills, and drive career development through our Employee Resource Groups ("ERGs"). Our ERGs have executive sponsors.

Why should investors care about human capital management? Human capital makes all of our workforce our greatest strength, skills, creativity and other attributes that make them productive and able to contribute to our business success. In a business that relies heavily on human capital, it is important to manage these elements effectively to enable continued growth.

Inclusion, Equity, & Belonging

At Robinhood, we strive to create a community where everyone feels valued and we embrace the differences that enable us to foster a high performance culture that serves the needs of our diverse customer base. We believe a more diverse and inclusive culture will help us achieve that outcome. We also recognize that there are systemic barriers that have led to lower representation and limited growth for underrepresented groups in the finance and tech industries, so we're committed to continually finding ways to disrupt bias and increase access in all that we do.

We have an EIB team dedicated to delivering on Robinhood's commitment to create an inclusive environment. In 2023, we integrated EIB initiatives into the workflow for our leaders and people managers, incorporating mitigating bias and equity content into feedback loops, performance reviews, and promotions. We attended and sponsored a conference focused on recruiting talent from underrepresented groups and continued to expand our community outreach efforts around financial inclusion for underrepresented communities.

As of December 31, 2023, 60% of our employees are members of at least one of our ERGs which are voluntary, identity or experience-based groups led by members and allies who join together to foster a more inclusive workplace. Each ERG is sponsored by members of our leadership team. Robinhood ERGs include: Asianhood, Black Excellence, Divergent, Latinhood, Parenthood, Hardhood, Sisterhood, Women in Tech, and Veterans at Robinhood. Our ERGs each develop annual strategic goals to build community, support the hiring and career growth of underrepresented groups, and provide guidance on internal programs, external marketing, and product development.

We also utilize ERGs to welcome prospective employees through our Robinhood Ambassadors program. Employees are available to speak to candidates who want to learn more about working at Robinhood. This is one way we work to make Robinhood an inclusive workplace, and help our candidates feel a sense of belonging before they get here.

Below is a selection of our current ERGs:

- Robinhood Black Excellence
- Robinhood Latinhood
- Robinhood Parenthood
- Robinhood Asianhood
- Robinhood Veterans

Environmental, Social, and Governance

Our mission is to democratize finance for all—and the goal of our ESG program is to help build a company you can be proud to invest with. We were proud to launch our first ESG report within two months of becoming a public company to deliver on this goal. We continue to communicate our work transparently with our customers and stakeholders through annual ESG reports. Every day, we work to build products that create a more equitable world—for our customers, employees, and society as a whole.

What is ESG and why is it important?

In the business context, ESG is the idea that environmental, social, and governance risks and opportunities are embedded into decision making and work with financial considerations to create robust value. Integrating ESG into a business can help business achieve long-term, sustainable performance.

Human Capital Management

Intel's approximately 125,000 employees are shaping the future with computing and connectivity technologies. Our people and culture are critically important to Intel's success. We strive to attract, develop, and retain the world's best talent who seek to build transformative products and services that help our customers succeed in an increasingly data-driven world. We are committed to creating an inclusive workplace where the world's best engineers, technologists, and business leaders fulfill their dreams and create technology that improves the life of every person on the planet. We believe that Intel can be more innovative, agile, and competitive when every employee has a voice and a sense of belonging.

Intel is investing more work by fostering a disciplined and efficient, yet flexible, workplace where people are motivated to execute to create world-changing technology. All employees are responsible for updating our values (see page 11), the Intel Code of Conduct, and Intel's Global Human Rights Program, which form the foundation of our policies and practices and ethical business culture. For additional human capital related information, see our Corporate Responsibility Report.

Inclusion	28.1% Women global employees	17.0% Underrepresented minorities US employees
	19.0% Women global senior leadership	8.2% Underrepresented minorities US senior leadership
Compensation and Benefits	Maintained	Hybrid-first Company
	Intel pays no equity-based pay to our employees. We believe that holistic approach broadly pays equity, representation, and creating an inclusive culture enables us to cultivate a work place that helps employees develop and progress in their careers at all levels.	Competition & awards (Unintended result: employees, strong results in market competition, 100% positive)
Growth and Development	Employee Experience Surveys 5.6%	Global undisclosed turnover rate
	Intel employees provide feedback on the company and work experience (e.g., hiring & development opportunities)	
Health, Safety, and Wellness	94% Intel's Wellby Program satisfaction rating (95% in 2022)	41% Wellby program participation rate (32% in 2022)
	We provide access to a variety of resources, flexible, and convenient health and wellness programs, including on-site health centers, and we aim to increase awareness of and support for mental and behavioral health. We continue to build our strong culture and drive global expansion of our corporate wellness program through employee education and engagement initiatives.	370K+ health & safety training courses completed

All table data is as of December 31, 2023 or during 2023 unless otherwise noted. Additional data such as the definition of any term (e.g., senior leadership, underrepresented minorities, pay equity, related turnover rate, etc.) may be found in our corporate responsibility website and is available in our 2023 2024 Corporate Responsibility Report. Portion of the table data are preliminary, with that information to be reported in our 2024 2025 Corporate Responsibility Report.

Human Capital Management

The Board is actively engaged in overseeing Intel's human capital management strategies, results, initiatives, and programs through the Compensation Committee, including assessing whether Intel's culture reflects its longstanding commitment to responsibility, industry, and sustainability, talent training, recruitment, development, and retention, employee engagement, and diversity and inclusion.

11 Intel directors have Human Capital experience

Our Board, including our Compensation Committee, has extensive human capital experience gathered over the professional careers of its members, such as Dr. Mahesh, who as CEO of Medtronic, increased over 60,000 employees; Dr. Lincoln Murray, who was a senior leader at, and investor for over 15 years, the nation's largest healthcare-focused philanthropic organization, the Robert Wood Johnson Foundation; Mr. Novak, who was one of BlackRock's co-founders and helped grow the institution into one of the world's largest asset managers; and Mr. Walker, who as HP CEO oversaw a worldwide employee base in excess of 50,000.

Management Succession

As reflected in our Corporate Governance Guidelines, one of the Board's primary responsibilities include planning for CEO succession and monitoring management's succession planning for other senior executives. The Board's goal is to have a long term program for effective senior leadership development and succession, as well as short-term contingency plans for emergency and ordinary course contingencies. The program plays an important role in the company's success. The Board, as well as the current senior leadership team, understand the importance of and are heavily focused on the development of internal talent and succession planning.

The Compensation Committee reviews succession planning and management development topics with the Board at least annually. The Board and the Compensation Committee work with our CEO and our Chief People Officer to plan for succession. The Board has an opportunity to meet regularly with executives at many levels across the company through formal presentations at Board meetings and informal meetings throughout the year. Board members also engage with senior leaders through the company's advisory committees, and consequently obtain greater and deeper familiarity with senior leadership. Board members are also partnered with key senior leaders based on their backgrounds to assist with mentorship and oversight. The topic of succession planning and management development is discussed regularly in executive sessions of the Board and the Compensation Committee.

Our Culture

Our culture is defined by our values: Customer First, Fearless Innovation, Results Driven, One Intel, Inclusion, Quality, and Integrity — goals how we make decisions, treat each other, serve our customers to achieve their goals, and shape technology as a force for good. Intel is focused on how we recruit, retain, and develop our talent. Organizational culture is monitored and measured by management and reviewed by the Compensation Committee.

Compensation

The Compensation Committee determines the compensation for our executive officers, including our CEO. The Compensation Committee reviews the executive compensation program throughout the year with the assistance of an independent compensation consultant. For additional information with respect to the Compensation Committee, see "A. Board Structure and Engagement; Board and Committee Engagement; Board Committees; Talent and Compensation Committee" on page 34.



Key Examples

General Mills 2024 Proxy Statement

People and inclusion highlights in the proxy summary; oversight information in governance section includes leadership development, culture and employee engagement

Proxy Statement Summary

Proxy Summary: People and Inclusion Highlights

Diversity, Inclusion & Belonging

38% of our officers are women
28% of our officers are racially or ethnically diverse

We believe that fostering a culture of inclusion and belonging strengthens our business performance and execution. Improves our ability to recruit and develop talent and provides for a rewarding workplace experience that allows all of our employees to thrive and succeed. We actively cultivate a culture that acknowledges, respects and values all dimensions of diversity - including gender, race, sexual orientation, ability, backgrounds and beliefs.¹⁸ Ensuring diversity of thought and perspectives is core to our business strategy, and we are committed to recruiting, retaining, developing and advancing a workforce that reflects the diversity of the consumers we serve.

Our Inclusion Goal
Is to foster a culture of inclusion and belonging that allows all of our employees to thrive. Ensuring diversity of input and perspectives is core to our business strategy.

Our Inclusion Strategy
Is to use our inclusion framework to advance engagement around the world, leveraging data to assess progress and holding ourselves accountable as we continue to foster a culture of inclusion and belonging.

Employee Engagement

85% of salaried employees are proud of General Mills¹⁹
90% of salaried employees say General Mills is a great place to work²⁰

The efficient production of high-quality products and successful execution of our strategy requires a talented, skilled, dedicated and engaged team of employees. We work to equip our employees with critical skills and expand their contributions over time by providing a range of training and career development opportunities, including hands-on experiences through Challenging work assignments and job rotations, coaching and mentoring opportunities and training programs. To foster employee engagement and commitment, we follow a robust process to listen to employees, take action and measure our progress with ongoing employee conversations, transparent communications and employee engagement surveys.

Workplace Safety

We are committed to maintaining a safe and secure workplace for our employees. We set specific safety standards to identify and manage critical risks. We use global safety management systems and employee training to ensure consistent implementation of safety protocols and accurate measurement and tracking of incidents. To provide a safe and secure working environment for our employees, we prohibit workplace discrimination, and we do not tolerate abusive conduct or harassment. Our attention to the health and safety of our workforce extends to the workers and communities in our supply chain.

We have a history of strong safety performance. We recently took bold steps forward by implementing new injury and illness reporting criteria and metrics to improve our safety culture and focus more intensity on eliminating incidents and situations with the greatest potential to significantly harm our people. The new safety metric criteria are based on current best practices and globally recognized principles for recording occupational injuries and illnesses.

¹⁸ Additional data on the diversity breakdown of our U.S. salaried employee base can be found in our annual Global Responsibility Report (available on our website at www.generalmills.com under the Global Inclusion & Diversity section), including a link to employment data from our EEO-4 report.
¹⁹ Global survey of salaried employees, September 2023.
²⁰ Notice of 2024 Annual Meeting of Shareholders

Corporate Governance

Overseeing Leadership Development, Culture and Human Capital Management

Leadership Development and Talent Management

Recruiting, developing and engaging our workforce is critical to executing our strategy and achieving business success. The board oversees and is regularly updated on the company's leadership development and talent management strategies designed to recruit, develop and retain global business leaders who can drive financial and strategic growth objectives and build long-term shareholder value. The board formally reviews and discusses management development and succession plans for the Chief Executive Officer and his direct reports, including individual executive transitions. These reviews include an assessment of senior executives and their potential as successor to the Chief Executive Officer. To enhance the board's understanding of the company's talent pipeline, the board meets regularly with high-potential executives in formal and informal settings. The board has also adopted procedures to elect a successor in the event of the Chief Executive Officer's sudden incapacity or departure.

Beyond leadership development, our board is continuously focused on culture and human capital management priorities for promoting a safe, inclusive and respectful work environment, where employees across our entire workforce feel empowered to speak on issues important to them, inspired to act ethically and with integrity, empowered to raise concerns and encouraged to implement new and innovative ideas in the best interests of the business.

Culture and Employee Engagement

The board is keenly interested in ensuring that the company maintains and promotes a culture that fosters the values, behaviors and attributes necessary to advance the company's business strategy and purpose. The board receives regular updates on matters of employee culture and engagement.

Human Capital Management

The efficient production of high-quality products and successful execution of the Accelerate strategy requires a talented, skilled and engaged team of employees. The board receives regular updates on the development and progression of our senior leaders. More broadly, the board and the compensation and talent committee provide oversight on culture and human capital management topics, including diversity and inclusion, pay equity and recruiting and development of critical talent. The compensation and talent committee further provides oversight of the company's talent acquisition strategies and career development practices to ensure they are successfully supporting the company's strategy and appropriately mitigating the risk of the loss or disengagement of critical talent.

Maintaining a safe and secure workplace for our employees is critical to our success. The board and the public responsibility committee oversee the company's human safety program. The public responsibility committee receives regular updates from key business leaders on human safety matters at the company and in our supply chain to ensure appropriate oversight of health and safety matters across our entire value chain. The board and our senior leaders believe that respect for human rights is fundamental to our purpose of making food the world loves and to our commitment to ethical business conduct.

General Mills, Inc.

Corporate Governance

Diversity and Inclusion

Fostering a culture of inclusion and belonging strengthens our ability to recruit talent and allows our employees to thrive and succeed. We actively cultivate a culture that acknowledges, respects and values all dimensions of diversity - including gender, race, sexual orientation, ability, backgrounds and beliefs. The board receives regular updates on our diversity and inclusion initiatives and statistics and believes that diversity of thought and perspectives is core to our business strategy. The compensation and talent committee oversees our strategies, practices and performance related to the support and advancement of workplace diversity, equity and inclusion and is committed to ensuring we are recruiting, retaining, developing and advancing a workforce that reflects the diversity of the consumers we serve. This commitment starts with our company leadership where women represent 38% of our officer population, and racially or ethnically diverse leaders represent 28% of our officers.

Fostering a culture of inclusion and belonging is strongly supported by the board and is embedded in our day-to-day ways of working through Courageous Conversations, which bring the organization together to tackle difficult-to-address topics openly and candidly, an Allstar Framework, which supports our employees on their journey as allies with practical solutions for the workplace, Inclusion Connects consisting of a library of topics used at the beginning of meetings to foster discussion, build empathy and increase understanding, and strong employee networks made available for our employee communities to have space to learn and grow.

Awards and Recognition

We received numerous awards in fiscal 2024 recognizing our diversity and inclusion efforts. Listed below are a few of these recognitions, illustrating our commitment to standing for good.

- Best Places to Work for LGBTQ+ Equality Human Rights Campaign
- Inclusion Index, Seramount
- Disability Equality Index, Best Place to Work for Disability Inclusion
- Best Companies for Multicultural Women, Seramount
- Top Companies for Executive Women, Seramount
- World's Best Employers, Forbes

Notice of 2024 Annual Meeting of Shareholders



Director Compensation

2024
oting and Proxy Statement



Director Compensation—2023

Annual Compensation

In consultation with Ferguson Partners Consulting, the Compensation Committee's independent compensation consultant, the Compensation Committee periodically reviews our Independent Director compensation program for continued alignment with comparable companies and sound governance practices and last reviewed director compensation in 2022. The Committee determined not to make any changes to director compensation for 2023.

Compensation paid to our Independent Directors for services in 2023 is further described below. Mr. Brinker, our President and CEO and a director, received no separate compensation for his services as a director in 2023. Mr. Thomas will not receive compensation in connection with his service on the board following the closing of our merger with Physicians Realty Trust on March 1, 2024. Mr. Thomas receives compensation as our employee beginning in 2024, with total aggregate compensation of \$100,000 annual base salary, \$400,000 annual restricted unit grant and standard employee benefits, which amounts will be included in the 2024 Director Compensation table in next year's proxy statement.

ANNUAL INDEPENDENT DIRECTOR COMPENSATION		ADDITIONAL ANNUAL CASH COMPENSATION	
		Independent Chair: \$140,000 Independent Vice Chair: \$70,000*	
		Audit Committee	Governance Committee
		• Chair – \$35,000	• Chair – \$20,000
		• Member – \$17,500	• Member – \$9,000
		Compensation Committee	Investment Committee
		• Chair – \$30,000	• Chair – \$25,000
		• Member – \$10,000	• Member – \$7,500
		* Ms. Sandstrom served as Independent Vice Chair for a portion of 2023.	

Independent Director Cash Compensation

We pay an annual cash retainer of \$85,000 to each director, as well as an additional annual cash retainer of \$140,000 to our independent Chair (and an additional \$70,000, prorated, to Ms. Sandstrom in connection with her role as independent Vice Chair for the portion of the year in which she served in that role) and committee fees as set forth in the table above.

We also pay Independent Directors an additional \$1,500 per meeting fee for each Board or individual committee meeting they attend beyond 10 meetings of our Board or that committee, as applicable, in a given calendar year (for example, for each Audit Committee meeting after 10 Audit Committee meetings in one calendar year). In 2023, there were five such additional meetings.

All cash retainers are paid quarterly in arrears and prorated based on the number of days that a member serves in the applicable capacity. We also reimburse Independent Directors for director education and reasonable travel expenses in connection with their Board duties.

Independent Director Equity Compensation

We grant an annual equity retainer in restricted stock units ("RSUs") with a grant date fair value of \$180,000 (rounded up to the nearest whole share), to each Independent Director who is elected at the annual meeting of stockholders or is initially appointed as an independent Director other than at the annual meeting. The award for a new Independent Director who is initially appointed other than at an annual meeting may be prorated. In 2023, each independent director was granted an annual equity award in the form of RSUs with a grant date fair market value of \$180,000 on April 28, 2023. The RSUs cliff vest in full on the earliest of the first anniversary of the grant date, the Company's next annual meeting of stockholders, or the termination of the independent director's service due to death or disability. The awards are subject to forfeiture if the director's service terminates for any other reason. The Compensation Committee believes that the 1-year cliff vesting promotes retention during the annual term in which our directors serve.

Director Compensation—2023

2023 Independent Director Compensation

The following table summarizes the compensation of the independent Directors for the fiscal year ended December 31, 2023.

NAME ^(a)	FEES EARNED OR PAID IN CASH ^(b)	STOCK AWARDS ^{(b)(1)}	TOTAL ^(b)
(a)	(b)	(c)	(b)
Brian G. Cartwright	178,670	180,000	358,670
James B. Connor	58,536	180,000	238,536
Christine N. Garvey	120,000	180,000	300,000
R. Kent Griffin, Jr.	127,500	180,000	307,500
David B. Henry	136,500	180,000	316,500
Sara G. Lewis	124,000	180,000	304,000
Katherine M. Sandstrom	210,234	180,000	390,234

^(a) Messrs. Thomas and Weiss, Governor Thompson and Mrs. Kesler and Lie-Booker did not serve as directors during 2023.
^(b) RSUs issued pursuant to the 2023 Performance Incentive Plan (the "2023 Plan"). The value in the stock award column represents the aggregate grant date fair value of RSUs awarded to the director in the fiscal year, computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718—Compensation. For a discussion of the assumptions and methodologies used to calculate the amounts referred to above, see Note 14—Compensation Plans to the Consolidated Financial Statements included in our Annual Report. As of December 31, 2023, each of our independent Directors who were serving on the Board at that time held 8,193 unvested RSUs.

Director Compensation Policies and Plans

Director Stock Ownership Guidelines

Independent Directors are required to accumulate and hold shares of Healthpeak stock (including RSUs) equal in value to at least five times the amount of the annual cash retainer for Independent Directors (i.e., \$425,000). The guidelines are effective on the first May 15 that occurs more than five years after an Independent Director first becomes a member of our Board. Once subject to the guidelines, an Independent Director's level of stock ownership will be reviewed annually on May 15 for as long as the director remains in office. Shares that count toward the satisfaction of the stock ownership guidelines include shares of our common stock beneficially held (directly or indirectly) by the Independent Director, vested or unvested restricted stock units, and shares of our common stock deferred under a deferred compensation plan. The Governance Committee is responsible for reviewing, overseeing and monitoring compliance with the director stock ownership guidelines. All of our independent Directors for whom the guidelines were effective as of May 15, 2023 satisfied the required level of ownership as of that date.

Director Deferred Compensation Plan

We maintain a deferred compensation plan (the "Director Deferral Plan"), which permits our Independent Directors to elect to defer their annual retainers. Amounts deferred under the Director Deferral Plan generally are payable in cash as a lump sum, in monthly installments, or a combination of both, as elected by the director, upon the termination of the director's service on our Board, the director's death or such earlier date as elected by the director. A director participating in the Director Deferral Plan may elect to have his or her deferred compensation credited to (i) an interest rate account wherein the deferrals accrue interest at a rate equal to the current prime rate minus 1%, or (ii) a stock credit account wherein the deferrals are treated as if invested in our common stock with the account increasing for dividends paid, and increasing or decreasing in value with changes in our stock price. None of our independent Directors currently participate in this plan.

Director Stock-For-Fees Program

Under the Non-Employee Director Stock-For-Fees Program, each of our independent Directors may elect to receive all or a portion of their annual retainer and meeting fees in the form of shares of our common stock in lieu of payment in cash. The election will apply to the elected amount of such fees that would otherwise be paid in cash, commencing with the fiscal quarter after the election is made. Shares will be issued as soon as practicable after we pay an ordinary cash dividend to our stockholders following the date that cash director fees for the preceding quarter would otherwise be payable to the director. The number of shares issued will be determined by dividing the amount of the fees by the average closing price of our common stock for the 10 trading days immediately preceding the relevant dividend payment date. None of our independent Directors currently participate in this program.

This section includes:

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Overview

Compared to other proxy statement sections, director compensation has received far less investor and regulatory attention. In recent years, director pay has increased to match the additional hours that directors devote to board service, as well as expanded accountabilities and responsibilities, and shareholder derivative lawsuits alleging excessive director compensation have escalated during the same period. In response, companies are paying careful attention and providing transparent disclosures about all compensation paid and the practices used to achieve fair and appropriate compensation aligned with long-term shareholder interest.

It is expected that director compensation reflect the unique demands on a particular company's directors but also remained aligned with shareholder interests and industry specific and general market trends. Shareholders want a full understanding of all compensation earned or paid to directors, how compensation amounts and specific components are established and the ways and frequency in which the program is reviewed. In addition, investors want companies to adopt and disclose robust stock ownership guidelines, with details on the amount of time directors are allowed to meet the required ownership level.

What To Think About

- **Plan Details:** Beyond the required compensation table and footnote explanations, companies should provide details about how their director compensation program is aligned with shareholder interests. Companies demonstrate this strong alignment through robust stock ownership guidelines and a compensation program that includes a meaningful portion of long-term equity.
- **Compensation-Setting Process:** Companies also should provide details on the processes the board and responsible

committee use to set director compensation, including any meaningful annual limits on compensation, the frequency of reviews and peer benchmarking, and the use of independent consultants.

- **Other Governance Features:** Companies should discuss stock ownership requirements, hedging and pledging prohibitions, and other key governance features of their director compensation program.
- **Use of Infographics:** Companies should use strong visuals to demonstrate the different components of pay and the pay mix as well as to highlight key

attributes of the director stock ownership guidelines. We recommend incorporating call-out boxes or other design elements to highlight best practices, as in other sections of the proxy statement.

- **Location:** We recommend including the director compensation disclosures in the last section of "Corporate Governance" or its own standalone section.

Labrador Transparency Award Criteria



- The director compensation section discusses benchmarking with peer companies.
- Pay mix and applicable components of director compensation (including all committee chair retainers and equity awards are disclosed in a matrix, table graphic or using other visual elements).
- Director stock ownership requirements are discussed within the director compensation section.



Benchmarking

Director Compensation

74.0%

Pay mix and components of director compensation are disclosed in a matrix, table graphic or using other visual elements

60.0%

Director stock ownership requirements are discussed within the director compensation section

41.0%

The director compensation section discusses benchmarking with peer companies

Key Examples

Goldman Sachs 2024 Proxy Statement

List of key features and what we do/don't, use of comp consultant

COMPENSATION MATTERS—DIRECTOR COMPENSATION PROGRAM

Director Compensation Program

2023 Director Compensation Program

In 2021, our shareholders approved an amended and restated SIP, which fixed the amount of annual director compensation for service on our Board. Consistent with our SIP, our 2023 Director Compensation Program consisted of:

Components of Director Compensation Program for 2023 Service ⁽¹⁾	Annual Value of Award	Form and Timing of Payment
Annual RSU Grant	\$350,000	RSUs granted annually in arrears ⁽²⁾
Annual Retainer	\$100,000	RSUs or cash, as per director election, paid quarterly in arrears ⁽³⁾
Total Annual Base Compensation	\$450,000	
Committee Chair Fee (if applicable)	\$25,000	RSUs or cash, as per director election, paid quarterly in arrears ⁽⁴⁾

(1) Compensation is prorated, as applicable, according to the number of months served. In connection with Board service, our directors do not receive any supplemental fees for attending Board or Committee meetings or serving on special committees formed from time to time. Mr. Solomon does not participate in our Director Compensation Program and does not receive any incremental compensation for service on our Board. Directors who also serve on the board of one of our subsidiaries also receive \$50,000 for service as a subsidiary board member or \$100,000 for service as a subsidiary board chair.

(2) RSUs granted on January 17, 2024 for service in 2023.

(3) RSU grants and cash payments were made quarterly (with RSU grants made on each of April 19, 2023, July 20, 2023, October 18, 2023 and January 17, 2024) over the course of the year.

(4) In December 2023, our Governance Committee reviewed the form and amount of the Director Compensation Program and recommended that the Board set the 2024 Director Compensation Program in an amount unchanged from 2023 levels. In connection with this review, the Governance Committee took into account:

- Advice from its independent consultant, including with respect to benchmarking on the form, structure and amount of peer director compensation;
- The amount and structure of the compensation program;
- Feedback from stakeholders; and
- Commitments made in connection with the August 2020 settlement of the director compensation litigation, including the commitment that annual director compensation for service on our Board not exceed the current levels fixed in the SIP.

Key Features of Director Compensation

- It is designed to attract and retain highly qualified and diverse directors
- Appropriately values the significant time commitment required of our directors
- Effectively and meaningfully aligns interests of directors with long-term shareholder interests
- Recognizes the highly regulated and complex nature of our global business and the requisite skills and experience represented among our Board members
- Takes into account the focus on Board governance and oversight of financial firms
- Reflects the shared responsibility of all directors

Significant Time Commitment by Directors

- In addition to preparation for and attendance at Board and Committee meetings, our directors are engaged in a variety of other ways, including:
 - Receiving and reviewing postings on significant developments and weekly informational packages
 - Communicating and meeting with each other, senior management and key employees around the globe
 - Meeting with our regulators
 - Participating in firm and industry conferences and other external engagements on behalf of the Board
 - Engaging with investors (our Lead Director and other directors as may be appropriate from time to time)
 - Serving on subsidiary boards, as applicable

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COMPENSATION MATTERS—DIRECTOR COMPENSATION PROGRAM

Program features emphasize long-term alignment between director and shareholder interests.

What We Do

- Emphasis on Equity Compensation:** The majority of director compensation is in the form of vested equity-based awards (RSUs). Directors may elect to receive 100% of their director compensation in the form of RSUs.
 - Maximum of 30% in cash, if elected by director
 - Minimum of 70% equity compensation
- Hold-through Retirement Requirement:**
 - Directors must hold all RSUs granted to them during their entire tenure
 - Shares of Common Stock underlying the RSUs do not deliver until after a director's retirement
- Equity Ownership Requirements:** Directors are required to own at least 5,000 shares of Common Stock or vested RSUs, with a five-year transition period for new directors

What We Don't Do

- No fees for attending meetings—attendance is expected and compensation is not dependent on Board meeting schedule
- No fees for membership on special committees formed from time to time
- No undue focus on short-term stock performance—director pay aligns with compensation philosophy, not short-term fluctuations in stock price
- No hedging or pledging of RSUs permitted
- No hedging of shares of Common Stock permitted
- No director has shares of Common Stock subject to a pledge

Retention of Independent Director Compensation Consultant

In 2023, our Governance Committee reappointed FW Cook, a compensation consultant, to conduct an independent review of our Director Compensation Program. FW Cook assessed the structure of our Director Compensation Program and its value compared to competitive market practices, taking into account the emphasis on equity compensation, the hold-through retirement requirement and other restrictions on the RSUs, as well as the August 2020 resolution of the director compensation litigation and the fixed amount of annual director compensation specified in the SIP, which was approved by our shareholders at the 2021 Annual Meeting.

FW Cook determined that the Director Compensation Program remained competitive with the market and continued to align the interests of our directors with the long-term interests of our shareholders.

Our Governance Committee determined that FW Cook is independent and has no conflicts of interest in providing services to our Governance Committee.

2023 Director Summary Compensation Table

The following table sets forth the compensation for our directors as determined by SEC rules, which require us to include equity awards granted during 2023 and cash compensation earned for 2023. As noted above, the Annual Retainer and/or Committee Chair Fee is paid or granted quarterly, in arrears, and the Annual Grant is made shortly after year-end. Accordingly, this table includes:

- RSUs granted in January 2023 (2022 Annual Grant), and the fourth quarter grant of the 2022 Annual Retainer and, as applicable, Committee Chair Fee) for services performed in 2023 for directors who elected RSUs;
- RSUs granted during 2023 (the first three quarters of the 2023 Annual Retainer and, as applicable, Committee Chair Fee) for services performed in 2023 for directors who elected RSUs; and

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COMPENSATION MATTERS—DIRECTOR COMPENSATION PROGRAM

Cash earned for services performed in 2023 (2023 Annual Retainer and, as applicable, Committee Chair Fee) for directors who elected cash.

This table also includes information in "All Other Compensation" on compensation received by certain directors who also serve on the board of one of our subsidiaries, in recognition of the additional time and workload associated with these roles.

	2023 Fees Earned or Paid in Cash (\$) ⁽¹⁾	2023 Program ⁽²⁾	Stock Awards (\$)	All Other Compensation (\$) ⁽³⁾	Total (\$)	
Michelle Burns	100,000	349,788	—	349,788	61,667	511,445
Drew Faust*	33,333	349,788	—	349,788	20,000	403,121
Mark Flaherty	100,000	349,788	—	349,788	20,000	469,788
Katherine Harris	118,750	349,788	—	349,788	20,000	468,538
Keris Johnson	—	112,058	75,991	19,749	24,227	211,876
Ellen Kullman	125,000	380,159	—	380,159	20,000	525,159
Lakshmi Mittal	—	374,224	75,991	44,981	—	495,195
Thomas Montag	50,000	—	—	—	5,000	55,000
Ashley Ogdenoff	—	380,159	94,312	474,471	—	474,471
Peter Oppenheimer	—	380,159	94,312	474,471	9,212	568,683
Jan Tighe	100,000	374,224	—	374,224	49,544	524,748
Jessica Linn	100,000	374,224	—	374,224	20,000	494,224
David Viner	125,000	349,788	—	349,788	20,000	494,788
Mark Wilkman*	10,417	380,159	31,331	411,490	24,167	466,073

* Drew Faust and Mark Wilkman retired from our Board at the 2023 Annual Meeting.

(1) Includes 2023 Annual Retainer and, as applicable, 2023 Committee Chair Fee. For 2023, Ms. Kullman and Mr. Viner elected to receive their Annual Retainer and Committee Chair Fees in cash. Ms. Harris elected to receive her Annual Retainer and prorated Committee Chair Fee in cash. Ms. Burns, Mr. Flaherty, Mr. Admital Tighe and Ms. Lin elected to receive their Annual Retainer in cash and Dr. Faust and Mr. Montag elected to receive their prorated Annual Retainer in cash. Mr. Wilkman received a portion of his 2023 Annual Retainer and Chair Fee in RSUs per the election and a portion in cash pursuant to the terms of the award agreement in light of his retirement.

(2) Includes 2022 Annual Grant and, as applicable, the fourth quarter grant of the 2022 Annual Retainer and/or Committee Chair Fee. These values reflect the grant date fair value of RSUs granted on January 18, 2023 for service in 2022 based on the closing price per share of Common Stock on the NYSE on the date of grant (\$340.07). These RSUs were vested upon grant and provided for delivery of the underlying shares of Common Stock on the first eligible trading day that is at least 90 days following the director's retirement from our Board. For 2023, Messrs. Ogdenoff, Oppenheimer and Wilkman and Ms. Admital elected to receive their Annual Retainer and Committee Chair Fees in RSUs. Ms. Admital, Vice Admiral Tighe and Ms. Lin elected to receive their Annual Retainer in RSUs, and Mr. Johnson elected to receive his prorated Annual Retainer in RSUs.

(3) Includes 2023 Annual Retainer and, as applicable, 2023 Committee Chair Fee. These values reflect the grant date fair value of RSUs granted for the first through third quarters during 2023 for service in 2023. The grant date fair value of these RSUs was based on the closing price per share of Common Stock on the NYSE on each applicable grant date: April 19, 2023 (\$338.89), July 20, 2023 (\$350.86) and October 18, 2023 (\$351.86). These RSUs were vested upon grant and provided for delivery of the underlying shares of Common Stock on the first eligible trading day that is at least 90 days following the director's retirement from our Board. RSUs in respect of the fourth quarter grant of the 2023 Annual Retainer and 2023 Annual Committee Chair Fee, as well as the 2023 Annual Grant, were granted on January 17, 2024 and are not required to be delivered in full but will be reflected in the 2024 Director Summary Compensation Table in our proxy statement for our 2025 Annual Meeting of Shareholders, per SEC rules.

These values reflect the amounts that were allocated to our firm's match employee director program for 2023. We allow our directors to participate in our employee matching gift program on the same terms as our non-CEO employees, including gifts of up to \$10,000 per pre-cessing individual.

(4) In addition to the amounts donated to charity as described in Footnote (3) above, our directors who are on a board of one of our subsidiaries receive a cash retainer of \$50,000 for service as a subsidiary board chair and \$100,000 for service as a subsidiary board member. The subsidiary board retainer may be paid at the director's election in RSUs, with each RSU granted consistent with the RSUs described in Footnote (3) above, and provided for delivery of the underlying shares of Common Stock on the first eligible trading day that is at least 90 days following the director's retirement from the applicable subsidiary board. The subsidiary board retainer is prorated, as applicable, according to the number of months served. For Ms. Burns and Mr. Wilkman, the amounts included represent their respective cash retainers for Goldman Sachs International board service during 2023, and for Messrs. Johnson and Oppenheimer represent their respective cash retainers for the 2023 subsidiary board service during 2023. For the first through third quarters in respect of their 2023 US Bank board service, the amounts represent the value of RSUs granted during 2023 for the first through third quarters in respect of their 2023 US Bank board service.

Please refer to **Beneficial Ownership** for information pertaining to the outstanding equity awards (all of which are vested) held by each director as of February 26, 2024, including RSUs granted in January 2024 for the 2023 Annual Grant, the fourth quarter grant for the 2023 Annual Retainer and, as applicable, Committee Chair Fee and the fourth quarter grant for the 2023 subsidiary retainer, as applicable) for services performed in 2023.

For more information on the work of our Board and its Committees, see **Corporate Governance**.

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Key Examples

3M 2024 Proxy Statement

Includes Philosophy and Process, 4 pages

Corporate governance at 3M

Director compensation

Philosophy and process

The N&G Committee is responsible for reviewing and making recommendations to the Board regarding all changes to the compensation of our non-employee directors. The Board reviews the recommendations of the N&G Committee and determines the form and amount of director compensation.

In developing its recommendations, the N&G Committee is guided by the following goals:

- Compensation should fairly pay directors for work required in a company of 3M's size and complexity;
- A significant portion of the total compensation should be paid in common stock (or common stock equivalents) to align directors' interests with the long-term interests of shareholders; and
- The structure of the compensation should be simple and transparent.

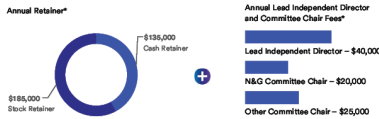
The N&G Committee works with an independent compensation consultant to support its objective of maintaining a reasonable and appropriate program. For 2023, Frederic W. Cook & Co., Inc. (FW Cook) provided the N&G Committee with expert advice on the compensation of non-employee directors, in addition to analyzing market data on director compensation at the same peer group of companies approved by the Compensation and Talent Committee for evaluating Named Executive Officer compensation. Neither the Company nor the N&G Committee has any arrangement with any other compensation consultant who has a role in determining or recommending the amount or form of director compensation. For more information on the peer group, see "Executive compensation peer group" on page 79.

Directors who are employees of the Company do not receive payment for their Board service.

Elements of annual compensation for non-employee directors

Our non-employee directors receive annual compensation, as summarized below, that is intended to approximate the peer group median mix (cash vs. equity) and provide an overall target total direct compensation that is consistent with 3M's size and market capitalization value relative to its peers. To better align the interests of our directors with those of our shareholders, the annual stock retainer is subject to a rigorous hold-until-departure requirement. For more information on the peer group, see "Executive compensation peer group" on page 78.

In May 2023, based on the recommendation of the N&G Committee after its consideration of a director compensation study prepared by FW Cook, the Board approved a \$5,000 increase in the annual fees paid to the chair of the Compensation and Talent Committee and left the other fees unchanged.



Abbreviations: N&G = Nominating and Governance

Corporate governance at 3M

Director compensation

Philosophy and process

Unless a director elects otherwise (see "Alternative Times and Forms of Payment" below), the annual cash retainer, annual Lead Independent Director fee and annual Committee Chair fee are paid in cash on a quarterly basis, and the annual stock retainer is paid shortly after the Annual Meeting in deferred stock units (DSUs). All such cash fees are provided based on the number of days of relevant service during the calendar quarter in which the fees are earned, and directors joining the Board after the Annual Meeting receive a prorated annual stock retainer.

DSUs. Each DSU represents the right to receive one share of 3M common stock at a future date. For fees paid in DSUs, the number of units credited to the director's recordkeeping account is determined by dividing the value of the fees to be paid by the closing price for a share of 3M common stock on the NYSE for the last trading day immediately preceding the earliest date such amount otherwise could have been paid to the director if taken on a current basis. The Company also credits the director's account with an additional number of DSUs for each ordinary cash dividend paid on the shares of the Company's common stock. Appropriate adjustments to the DSUs credited to each director's account will be made for stock splits, stock dividends, spin-offs, mergers, consolidations, payments of dividends other than in cash, and similar circumstances affecting 3M common stock. Unless a different time or form of payment is elected (see "Alternative Times and Forms of Payment" below), the shares of 3M common stock underlying the DSUs will be distributed in a single lump sum during the month of January in the first year after the director leaves the Board.

Alternative Times and Forms of Payment. In lieu of receiving all or a portion of the annual stock retainer in DSUs, a director may elect to receive shares of 3M common stock on a current basis, but the net after-tax portion of such shares must be retained by the director until he or she leaves the Board. Similarly, in lieu of cash fees, a director may opt to receive 3M common shares, DSUs, or deferred cash. Directors also may elect to receive distribution of their deferred cash or settlement of their DSUs as follows:

- a single lump sum during the month of January in the first or second year following the year in which they leave the Board; or
- in a series of three, five, or ten annual installments beginning during the month of January in the first year after they leave the Board.

2023 director compensation table

The table below shows the amounts earned by our non-employee directors in 2023.

Director	Fees earned or paid in cash (\$) ⁽¹⁾	Stock awards (\$) ⁽²⁾	All other compensation (\$) ⁽³⁾	Total (\$)
Non-Employee Directors	149,780	185,000	604	335,384
Thomas "Tom" K. Brown ⁽¹⁾	67,500	138,370	973	306,843
Audrey Choi ⁽²⁾	120,376	231,123	2,140	353,639
Anne H. Chow ⁽²⁾	63,063	—	25,477	78,540
Pamela J. Craig ⁽¹⁾⁽³⁾	160,000	185,000	7,077	352,077
David B. Dillon ⁽²⁾	175,000	185,000	5,390	365,390
Michael L. Eskew ⁽¹⁾	153,293	185,000	299	338,592
James R. Fiferling ⁽¹⁾	125,000	185,000	1,184	311,184
Amy E. Hood ⁽¹⁾	53,063	—	25,477	78,540
Mulker Kent ⁽¹⁾⁽²⁾	135,000	185,000	806	320,806
Susan Kareera ⁽¹⁾	47,843	—	25,477	73,320
Darlene F. Mayo ⁽¹⁾	160,000	185,000	1,204	346,204
Gregory R. Page ⁽¹⁾	120,376	231,123	1,247	352,746
Pedro J. Pizarro ⁽¹⁾	20,543	83,767	924	115,234
Thomas W. Sweet ⁽¹⁾	—	—	—	—

FOOTNOTES TO 2023 DIRECTOR COMPENSATION TABLE

⁽¹⁾ Lead Independent Director or Committee Chair during all or a portion of 2023.

Corporate governance at 3M

Director compensation

Philosophy and process

Director compensation prorated according to effective date of election, appointment, or retirement: Ms. Choi, Ms. Chow, Mr. Pizarro, and Mr. Sweet joined the Board, effective August 9, 2023, February 9, 2023, February 9, 2023, and November 6, 2023, respectively; Mr. Fiferling succeeded Ms. Craig as Chair of the Compensation and Talent Committee, effective April 5, 2023; Mr. Brown succeeded Mr. Kent as Chair of the N&G Committee, effective April 5, 2023; and each of Ms. Craig, Mr. Kent, and Ms. Mayo retired from the Board, effective May 9, 2023.

This column represents the amount of all fees earned or paid in cash for services as a director, including the annual cash retainer and the annual Lead Independent Director and committee chair fees. The table below shows the amount of cash compensation earned during 2023 that each director elected to receive in 3M common shares or DSUs and the number of shares or DSUs received, excluding adjustments for dividend equivalents. For more information concerning all 3M stock-based holdings of the directors, see "Security ownership of management" beginning on page 120.

Director	Cash fees director elected to receive in common shares or DSUs	3M common shares or DSUs received in lieu of cash fees
Non-Employee Directors	—	—
Thomas "Tom" K. Brown	—	—
Audrey Choi	—	—
Anne H. Chow	—	—
Pamela J. Craig	—	—
David B. Dillon	—	—
Michael L. Eskew	175,000	1,768
James R. Fiferling	153,293	1,542
Amy E. Hood	—	—
Mulker Kent	53,063	497
Susan Kareera	—	—
Darlene F. Mayo	—	—
Gregory R. Page	—	—
Pedro J. Pizarro	—	—
Thomas W. Sweet	—	—

This column represents the grant date fair value of the stock awards made in 2023, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation (referred to as "ASC Topic 718") in \$500 to the amount shown for the annual stock retainer each director received shortly following his or her election to the Board at the 2023 Annual Meeting. The amount shown for Ms. Chow and Mr. Pizarro includes \$45,123 attributable to the prorated annual stock retainer each received for their service to the Board from the date of their appointment through the date of the 2023 Annual Meeting.

The Company does not grant stock options to non-employee directors. Since all stock awards vest on the grant date, there are no unvested stock awards outstanding at year end.

This column includes the incremental cost of complimentary products and charitable contributions. Non-employee directors are eligible to participate in the Company's matching gift program on the same terms as 3M employees. Under this program, the 3M Foundation will match up to \$1,000 a year in contributions made by each director to eligible charitable organizations and, prior to October 31, 2023, up to \$5,000 a year in contributions made by each director to eligible educational institutions. The 3M Foundation also makes a \$25,000 donation to a charitable organization of public school in honor of each director who retires from the Company during the year, as reflected in the amounts reported for each of Ms. Craig, Mr. Kent, and Ms. Mayo.

Reasonableness of non-employee director compensation

As described above, our philosophy on director compensation is to pay directors fairly for work required in a company of our size and complexity, provide a significant portion of the total compensation in the form of equity-based compensation to align directors' interests with the long-term interests of our shareholders, and structure compensation in a simple and transparent manner. We believe that the application of this philosophy has resulted in a non-employee director compensation program that reflects best-in-class design with the following characteristics:

- Retainer-only compensation delivered in a combination of cash and stock-based awards with no fees for attending meetings that are an expected part of board service.
- Additional retainers for special roles having greater responsibilities, such as Lead Independent Director and committee chairs, to recognize the incremental additional time and effort required.

Corporate governance at 3M

Director compensation

Philosophy and process

Equity delivered in the form of current or deferred full-value shares, where annual grants are based on a competitive fixed-value formula and immediate vesting helps avoid director entrenchment.

- A requirement that directors hold until the end of their Board service all annual stock retainers earned on or after October 1, 2007, which includes net after-tax shares attributable to current payments and pre-tax shares attributable to deferrals.
- Flexible voluntary deferral provisions.
- No material benefits or perquisites.
- Our 2016 Long-Term Incentive Plan, most recently approved by shareholders at the 2021 Annual Meeting, includes a \$600,000 annual compensation limit on all forms of compensation for non-employee directors.

Stock retention requirement

The Board requires each director to hold the net after-tax shares (or, if deferred, a number of DSUs equal to the number of pre-tax shares underlying the DSUs) attributable to all annual stock retainers earned on or after October 1, 2007, until the director leaves the Board. Information regarding accumulated stock and DSUs is set forth under "Security ownership of management" beginning on page 123.

Shares or DSUs issued to 3M's directors as part of their annual stock retainer are subject to rigorous hold-until-departure requirements.

Prohibition of hedging, pledging, and other actions

The Company's stock trading policies prohibit the Company's directors and executive officers from (1) purchasing any financial instrument that is designed to hedge or offset any decrease in the market value of the Company's common stock, including prepaid variable forward contracts, equity swaps, collars, and exchange funds; (2) engaging in short sales related to the Company's common stock; (3) pledging standing orders; (4) maintaining margin accounts; and (5) pledging 3M securities as collateral for a loan. All discretionary transactions in 3M securities by directors and executive officers must be pre-arranged with the Company's Legal Affairs department and conducted during approved trading windows.

- No hedging
- No short sales
- No standing orders
- No margin accounts
- No pledging



Key Examples

Brown and Brown 2024 Proxy Statement

Includes process with peers and role of consultant

BOARD AND CORPORATE GOVERNANCE MATTERS

Director Tenure and Board Refreshment

The Nominating/Corporate Governance Committee regularly considers the composition of the Board. However, we have not established a mandatory retirement age or other term limits because we believe longer-tenured directors can bring important experience and institutional knowledge that are critical to the success of our Board and the long-term interests of our shareholders.

Board Evaluations

The Nominating/Corporate Governance Committee conducts an annual evaluation of the Board and its committees, as well as the individual performance of each director. As part of this process, all directors complete detailed confidential questionnaires to provide feedback on the effectiveness of the Board, the committees and the performance of individual directors.

Director Orientation and Continuing Education

New directors participate in a director orientation program when they join the Company's Board that familiarize the directors with the Company and their role. The Company offers, at its own expense, continuing education programs to assist the directors in maintaining skills and knowledge necessary to perform their duties.

Meetings and Attendance

During 2023, our Board of Directors held eight meetings. Each incumbent director serving during 2023 attended at least 75% of the total number of Board meetings, and 73% of the total number of meetings of committees of which such director is or was a member.

Shareholder Engagement

We regularly meet with investors, prospective investors and investment analysts on a broad range of topics, including our business and capital allocation strategy, operating model, financial performance and technology initiatives. We also routinely engage with shareholders after each quarterly earnings call and material news announcement, as well as in connection with conferences and other events and on an ad-hoc basis.

We also engage with shareholders on corporate governance matters and have implemented various enhancements to our corporate governance practices and disclosures based on feedback from investors.

Director Compensation

Our Board of Directors reviews the compensation of our non-employee directors at least every two years or as such other time as circumstances may warrant.

Our non-employee directors are paid an annual retainer of \$100,000, payable in quarterly installments. In addition, the Chairs of the Acquisition, Audit and Compensation Committees are each paid a \$20,000 retainer, the Chair of the Nominating/Corporate Governance receives a \$15,000 retainer and the Company's Lead Independent Director receives a \$15,000 retainer, in each case for services associated with those positions.

BOARD AND CORPORATE GOVERNANCE MATTERS

Also, each director who is not an employee of the Company receives a grant of fully vested shares valued at \$10,000 of our common stock under our 2019 SP.

No director who is an employee receives separate compensation for services rendered as a director.

2023 Director Compensation

In March 2023, Frederic W. Cook & Co., Inc. ("FW Cook"), an independent outside compensation consulting firm retained by the Compensation Committee, conducted a comprehensive analysis of the Company's non-employee director compensation, as described below.

SURVEY COMPARISON

As part of FW Cook's analysis, the Compensation Committee reviewed and considered data from the 2022 - 2023 AACD Director Compensation Report, which consisted of data from general industry companies with a blend of medium and large company data with annual revenues between \$2.5 and \$10 billion.

PEER COMPARISON GROUP

FW Cook also reviewed the compensation practices of seven publicly traded insurance carriers and several other companies in the capital markets industry (the "Peer Comparison Group"). The Peer Comparison Group, which did not change in 2023 and which FW Cook also uses for conducting analyses of our pay practices and executive compensation levels, was as follows:

At the time of analysis, our total revenue was at the 46th percentile, and our market capitalization was at the 56th percentile of the peer comparison group.

Peer Company	Business Focus
Ach Capital Group Ltd.	Property & Casualty Insurance Carrier
Aon plc	Insurance Intermediary
Argo Group International Holdings	Property & Casualty Insurance Carrier
Arthur J. Gallagher & Co.	Insurance Intermediary
AXIS Capital Holdings Limited	Property & Casualty Insurance Carrier
CBZ, Inc.	Research & Consulting Services
Crawford & Company	Insurance Intermediary
Erie Indemnity Company	Property & Casualty Insurance Carrier
Marsh McLennan Companies Inc.	Insurance Intermediary
Primerica, Inc.	Life & Health Insurance Company
Raymond James Financial, Inc.	Investment Banking & Brokerage
RLI Corp.	Property & Casualty Insurance Carrier
Sealed Insurance Group Inc.	Property & Casualty Insurance Carrier
Willis Towers Watson PLC	Insurance Intermediary

Results of FW Cook's Analysis

Based upon the results of FW Cook's analysis, the Compensation Committee concluded that:

- the total pay for our non-employee directors (excluding retainers for our committee chairs and our Lead Independent Director) was below the market median;
- the pay mix for our non-employee director compensation was more heavily weighted toward equity than cash, which was consistent with market practice;
- the retainers paid to our Audit Committee chair and our Lead Independent Director were below the market median;
- the retainers paid to our Nominating/Corporate Governance Committee chair and Compensation Committee chair were generally aligned with the market median and
- the Company's stock ownership guidelines, which require non-employee directors accumulate Brown & Brown common stock valued at least five times the current annual cash retainer within five years of joining the Board, were aligned with market practices.

BOARD AND CORPORATE GOVERNANCE MATTERS

Based upon FW's Cook's analysis and the Compensation Committee's recommendation, in March 2023, the Board approved the following changes to the compensation for our non-employee directors, to be effective immediately following the 2023 Annual Meeting of Shareholders:

- an increase to the size of the annual cash retainer from \$90,000 to \$100,000 and
- an increase to the size of the annual grant of fully vested common stock from \$100,000 to \$120,000, valued as of the close of business on the last business day before the regular May meeting of the Compensation Committee.

The following table sets forth cash and other compensation earned during 2023 by directors who are not Named Executive Officers.

2023 DIRECTOR COMPENSATION

Name	Fixed Salary or Paid in Cash (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Hugh M. Brown ^{#1}	40,500	—	—	40,500
J. Hyatt Brown	—	—	216,034 ^{#2}	216,034
Lawrence L. Gellestedt III	117,500	119,972	—	237,472
James C. Hays	—	—	1,667,203 ^{#3}	1,667,203
Theodore J. Hoegner	97,500	119,972	—	217,472
James S. Hunt	117,500	119,972	—	237,472
Tara Jennings	97,500	119,972	—	217,472
Paul J. Krump ^{#4}	50,000	—	—	50,000
Timothy R.M. Main	117,500	119,972	—	237,472
Bronislaw E. Masojada ^{#4}	50,000	—	—	50,000
Jaymin B. Patel	97,500	119,972	—	217,472
H. Palmer Proctor, Jr.	127,500	119,972	—	247,472
Wendell S. Reilly	97,500	119,972	—	217,472
Clifton D. Vazner	97,500	119,972	—	217,472

^{#1} The Board designated Hugh M. Brown as a Director Emeritus of the Company, effective immediately following the 2023 Annual Meeting of Shareholders.

^{#2} During 2023, J. Hyatt Brown, who is the father of J. Powell Brown, a director and President and Chief Executive Officer of the Company, and P. Randall Brown, an Executive Vice President and President - Risk Engineer, received compensation of \$186,034, consisting of \$160,000 for services rendered to the Company in 2023, including assistance with acquisition and reinsurance, \$6,480 in matching contributions made by the Company to his 401(k) Plan account, \$17,554 for reimbursement of expenses earned by the Company for personal items purchased through the Company or its subsidiaries and \$8,980 for the cost of certain club membership dues. Mr. Hyatt Brown serves as Chairman of the Board of the Company.

^{#3} During 2023, James C. Hays received compensation of \$1,667,203, consisting of \$1,644,000 for services rendered to the Company in 2023 and \$6,203 in matching contributions made by the Company to his 401(k) Plan account. Mr. James Hays, who serves as Vice Chairman of the Company, is a party to an Employment Agreement with the Company, effective as of November 30, 2024, that provides for payment of an annual base salary of \$610,000 for a three-year term of employment, after which time the amount will be as mutually agreed upon between Mr. James Hays and the Company, and which provides that the Company will terminate the agreement only "with cause." During the initial three-year term, Pursuant to its Employment Agreement, Mr. James Hays is also eligible during the initial three-year term to participate in the Company's Senior Leader Bonus Program in effect from time to time, and his bonus target under the Senior Leader Bonus Program is \$700,000. The Company has determined that Mr. James Hays is not an executive officer.

^{#4} Paul J. Krump and Bronislaw E. Masojada were appointed to the Board effective June 13, 2023.



Key Examples

Walmart 2024 Proxy Statement



Annual Benchmarking callout

Corporate Governance

Director Compensation

Walmart's compensation program for Outside Directors is intended to:

- provide fair compensation commensurate with the work required to serve on the Board of a company with Walmart's size, scope, and complexity;
- align directors' interests with the interests of Walmart shareholders; and
- be easy to understand and communicate, both to our directors and to our shareholders.

Annual Benchmarking

Each June, the CHDC and Board undertake a comprehensive review of Outside Director compensation, including a comparison to director compensation at Walmart's peer group companies. As a result of the review that was conducted last year, the CHDC and Board determined that our base director compensation and the additional fees for Board leadership positions described below were generally competitive and near the median of our peer group. Therefore, the CHDC and Board did not make any changes to our base compensation for Outside Directors or to the additional fees for Board Leadership positions.

Components of Director Compensation

Our Outside Director compensation program consists of the following primary components:

Who is Eligible	Component	Annual Amount (\$)	Form of Payment
Base Compensation – All Outside Directors	Annual Stock Grant	200,000	Shares
	Annual Retainer	100,000	Cash
Additional Fees – Some Outside Directors	Non-Executive Chairman Retainer	225,000	50% Shares/50% Cash
	Lead Independent Director Retainer	50,000	Cash
	Audit Chair Retainer	30,000	Cash
	CHDC, NDC, SPC, and TeCC Chair Retainers	20,000	Cash

In addition, each Outside Director who attends in person a Board meeting held at a location that requires intercontinental travel from his or her residence is paid an additional \$4,000 meeting attendance fee.

Form and Timing of Payment

Stock grants to Outside Directors are made annually following election to the Board at our annual shareholders' meeting. For fiscal 2024, the annual stock grant was approved by the Board on June 1, 2023 for those Outside Directors who were re-elected to the Board at our 2023 Annual Shareholders' Meeting. If an Outside Director is appointed to the Board during a term, he or she will receive a prorated portion of the annual stock grant. Each Outside Director may elect to defer the receipt of this stock grant in the form of stock units that are settled in arrears. The other components of Outside Director compensation listed above are paid quarterly in arrears. Each Outside Director can elect to receive these other components in the form of cash, Shares (with the number of Shares determined based on the closing price of Shares on the NYSE on the payment date), deferred in stock units, or deferred into an interest-credited cash account.

Director Stock Ownership Guidelines

Each Outside Director is required to own, within five years of his or her initial election to the Board, Shares or deferred stock units with a value equal to five times the annual retainer portion of the Outside Director compensation established by the Board in the year the director was initially elected. All Outside Directors who have reached the five-year compliance date own sufficient Shares or deferred stock units to satisfy this requirement.

2024 Proxy Statement 45

Corporate Governance

Director Compensation for Fiscal 2024

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Cesar Conde	100,000	200,035	—	300,035
Tim Flynn	129,917	200,035	782	330,734
Sarah Friar	119,974	200,035	1,472	321,481
Carla Harris	119,982	200,035	—	320,017
Tom Harton	170,000	200,035	354	370,389
Marissa Mayer	100,074	200,035	—	300,109
Greg Penner	212,434	312,509	108	525,051
Russell Stephenson	111,807	200,035	—	311,842
Rob Walton	100,000	200,035	—	300,035
Stewart Walton	119,974	200,035	—	320,009

Explanation of information in the columns of the table:

Name (column (a))
Doug McMillon is omitted from this table because he received compensation only as an associate of our company during fiscal 2024 and did not receive any additional compensation for his duties as a director.

Fees Earned or Paid in Cash (column (b))
Certain Outside Directors elected to either receive Shares in lieu of some or all of these amounts or defer these amounts in the form of deferred stock units, as shown below. These amounts were converted into Shares or deferred stock units quarterly using the closing price of a Share on the NYSE as of the respective payment dates, rounded to the nearest Share. For Mr. Stephenson, the amount in this column also includes \$11,703 in fees for serving on a special litigation committee.

Director	Amount (\$)	Number of Shares Received in Lieu of Cash	Number of Deferred Stock Units in Lieu of Cash
Tim Flynn	129,917	—	2,508
Sarah Friar	119,974	—	2,316
Carla Harris	59,982	1,158	—
Marissa Mayer	100,074	—	1,932
Greg Penner	212,434	—	4,101
Russell Stephenson	111,807	—	2,154
Stewart Walton	119,974	—	2,316

Stock Awards (column (d))
In accordance with SEC rules, the amounts in this column are the aggregate grant date fair value of stock awards granted during fiscal 2024, computed in accordance with GAAP stock-based accounting rules (as set forth in Financial Accounting Standards Board's Accounting Standards Codification Topic 718). Other than Mr. Penner, each Outside Director that was elected to the Board at the 2023 Annual Shareholders' Meeting received a stock award of 4,071 Shares (\$700,000 divided by \$171.14, the closing price of a Share on the NYSE on the grant date of June 1, 2023, and rounded to the nearest Share). Mr. Penner received a stock award of 6,360 Shares (\$312,509 divided by \$49.14, rounded to the nearest Share). Mr. Flynn, Ms. Friar, Ms. Mayer, Mr. Penner, Mr. Rob Walton, and Mr. Stewart Walton elected to defer these Shares in the form of deferred stock units. None of our Outside Directors held any outstanding stock options or unvested restricted stock awards as of January 31, 2024.

Walmart | www.walmart.com

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Corporate Governance

Option Awards and Non-Equity Incentive Plan Compensation (columns (d) and (e))

We do not issue stock options to our Outside Directors and do not provide our Outside Directors with any non-equity incentive plan compensation. Therefore, we have omitted these columns from the table.

Change in Pension Value and Non-Qualified Deferred Compensation Earnings (column (f))

While directors are permitted to defer cash retainers into an interest-credited account under the Director Compensation Deferred Plan, none of our current directors have elected to do so and do not have any balances in any such account. Therefore, we have omitted this column from the table.

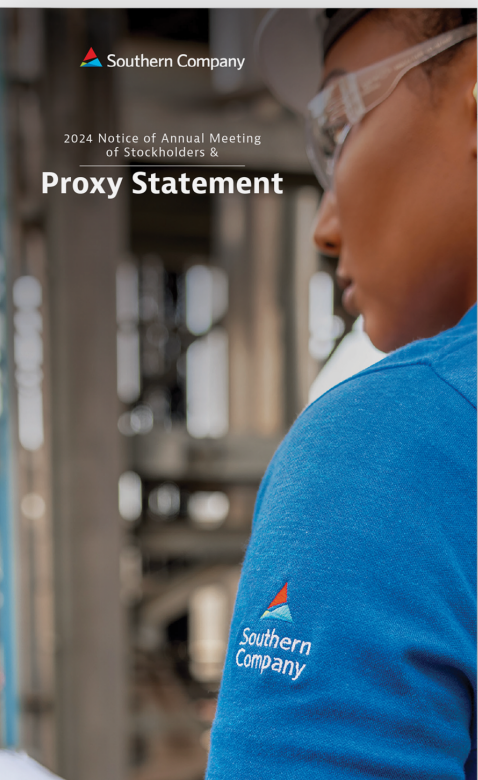
All Other Compensation (column (g))

The amounts in this column include tax gross-up payments related to imputed income attributable to spousal travel and meal expenses in connection with Board meetings. The cost of the underlying travel and meals is omitted from this column because the total cost of such benefits was less than \$10,000.

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Executive Compensation



Compensation Discussion and Analysis

CEO Pay for Performance Alignment

2023 CEO Pay Decisions Demonstrate Strong Alignment with Performance and Stockholder Interests

CEO 2023 Target Pay

89% Performance-Based

- 11% Salary
- 14% Annual Cash Incentive Award
- 75% Long-Term Incentive Awards

Retired Chairman 2023 Target Pay

93% Performance-Based

- 7% Salary
- 13% Annual Cash Incentive Award
- 80% Long-Term Incentive Awards

In making 2023 pay decisions for our CEO and Retired Chairman, the Committee continued to demonstrate strong alignment between CEO pay and Company performance based on three factors:

1. Placing the overwhelming majority of the CEO's total compensation at risk.
2. Selecting metrics and targets to align pay with long-term value creation for stockholders.
3. Actively reviewing performance to appropriately align payouts in a manner consistent with stockholder interests and stockholder feedback.

CEO Pay Aligned with Long-Term TSR and Financial Results

We continue to create significant long-term stockholder returns through stock price appreciation and dividends paid to our stockholders. The majority of CEO incentive compensation was tied to stockholder value created from 2021 to 2023 relative to our industry peers and the Company's strong adjusted financial results.

- From 2021 through 2023, we have consistently performed in the top quartile of our TSR peer group for each 3-year performance period and significantly above the median TSR for the peer group.
- We have continued to deliver strong adjusted EPS growth through 2023.

Southern Company's annualized TSR consistently has been in the Top Quartile and significantly higher than the average TSR for its respective Peer Group*

Period	82nd Percentile	100th Percentile	Southern Company
2019-2021	11.5%	17.9%	17.9%
2020-2022	8.2%	8.8%	8.8%
2021-2023	9.1%	9.2%	9.2%

* Industry peers selected by the Committee for determining TSR performance are generally consistent over the last five years, with minor adjustments for mergers or other business combinations and refinements, based on recommendations from our independent compensation consultants, to better match the Company's profile (see page 73), and are disclosed in the applicable proxy statement for the year the grant was made.

Southern Company is considerably larger than the majority of its peers

Revenue* (millions) vs Market Capitalization** (in billions)

- 2.4X Median Revenue
- 3.5X Median Market Capitalization

Member of TSR Peer Group (grey dots), Median for Revenue and Market Capitalization (black square).

Over the last five years, we have demonstrated strong adjusted EPS growth and delivered consistent dividend growth for stockholders

- We delivered strong adjusted EPS results at or above the top end of our projected EPS guidance ranges. These results were driven by a combination of constructive regulatory outcomes for customers and stockholders' and effective cost discipline.
- In addition to strong financial forecasts, our track record of robust financial performance has enabled an annual increase to dividends per share for 22 consecutive years. We have paid a dividend equal to or greater than the prior year for the last 76 years.

Year	Adjusted EPS	Guidance Range	Middle of Guidance
2019	\$2.11	\$2.00 - \$2.20	\$2.10
2020	\$2.20	\$2.10 - \$2.30	\$2.20
2021	\$2.41	\$2.30 - \$2.50	\$2.40
2022	\$2.60	\$2.50 - \$2.70	\$2.60
2023	\$2.64	\$2.50 - \$2.70	\$2.60

GAAP reported EPS was \$4.53 in 2019, \$2.95 in 2020, \$2.26 in 2021, \$3.28 in 2022, and \$3.64 in 2023. For ¹ reconciliation of adjusted EPS to EPS under GAAP, see page 10.

CEO Pay Aligned with Consistent Progress toward Reducing GHG Emissions

Since 2015, we have aligned a portion of the CEO long-term incentive pay with our Company's GHG emission reduction goals. The addition of zero carbon generation resources and the retirement of coal generating units (cumulative megawatt change) has driven progress toward our goals of achieving CO₂ emissions reductions of 50% from 2007 levels by 2020 and net zero by 2050. For the Retired Chairman, performance on the 2021-2023 performance period quantitative metric was below target because the commercial operation of Vogtle Unit 4 was not achieved in 2023. The qualitative metric exceeded target, recognizing the Company's industry leadership in decarbonization efforts, including energy policy, R&D investments and new business development. More details can be found on page 66.

This section includes:

- 168 Approach to Compensation
- 171 Compensation Discussion & Analysis (CD&A) Introduction/Opening
- 173 Communication from Compensation Committee
- 178 CD&A Summary
- 185 SOP Results, Outreach, and Responsiveness
- 189 Compensation Setting Process
- 194 Actual Pay; Alignment of Pay and Performance
- 198 Compensation Best Practices
- 201 Elements of Compensation
- 205 Incentive Compensation
- 227 CEO/NEO Scorecards
- 231 CEO Pay Ratio
- 235 Pay Versus Performance



Approach to Compensation

The Compensation Discussion and Analysis (CD&A) section of the proxy statement is notoriously long and dense. It can be challenging to provide the appropriate amount of detail without overwhelming the reader. In most years, companies should prioritize disclosure that explains the link between pay and performance in both design of the program and executive's actual pay after key incentive plan decisions are made. Special circumstances, such as leadership transitions, discretionary payments or responses to low say-on-pay votes, may necessitate additional explanation and emphasis on explaining the compensation committee's perspective.

Investor Perspective: Executive Compensation Program

BlackRock (U.S., 1/25)

We look to companies to ensure that their compensation plans incorporate appropriate and rigorous performance metrics, consistent with corporate strategy and market practice. **Performance-based compensation should include metrics that are relevant to the business and stated strategy and/or risk mitigation efforts. Goals, and the processes used to set these goals, should be clearly articulated and appropriately rigorous.** We hold members of the compensation committee, or equivalent board members, accountable for poor compensation practices and/or structures.

When evaluating performance, we examine both executive teams' efforts, as well as outcomes realized by shareholders. **Payouts to executives should reflect both the executive's contributions to the company's ongoing success, as well as exogenous factors that impacted shareholder value.**

State Street (Global, 3/24)

Shareholders should have the opportunity to assess whether pay structures and levels are aligned with business performance. When assessing remuneration reports, **we consider factors such as adequate disclosure of various remuneration elements, absolute and relative pay levels, peer selection and benchmarking, the mix of long-term and short-term incentives, alignment of pay structures with shareholder interests, as well as with corporate strategy and performance.** We may oppose remuneration reports where pay seems misaligned with shareholders' interests.



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Investor Perspective: Executive Compensation Program

Vanguard (U.S., 2/24)

Compensation policies linked to long-term relative performance are fundamental drivers of sustainable, long-term value for a company's investors. Providing **effective disclosure of these practices, their alignment with company performance, and their outcomes is crucial to giving shareholders confidence in the link between incentives and rewards and the creation of long-term value.**

A fund's considerations when evaluating executive pay fall into three broad categories:

- **Alignment of pay and performance.** The funds look for evidence of clear alignment between pay outcomes and company performance. This is mainly assessed through **alignment of incentive targets with corporate strategy and analysis of three-year total shareholder return and realized pay over the same period vs. a relevant set of peer companies . . .**
 - **Compensation plan structure.** Plan structures should **be aligned with the company's stated long-term strategy** and should support pay-for-performance alignment . . .
 - **Governance of compensation plans.** The funds look for boards to have **a clear strategy and philosophy** on executive pay, utilize robust processes to evaluate and evolve executive pay plans, and implement executive pay plans **responsive to shareholder feedback** over time. The funds also look for boards to **explain these matters to shareholders via company disclosures . . .**
-



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Investor Perspective: Executive Compensation Program

ISS (U.S. 1/25)

Underlying all evaluations are **five global principles** that most investors expect corporations to adhere to in designing and administering executive and director compensation programs:

1. Maintain **appropriate pay-for-performance alignment, with emphasis on long-term shareholder value**: This principle encompasses overall executive pay practices, which must be designed to attract, retain, and appropriately motivate the key employees who drive shareholder value creation over the long term. It will take into consideration, among other factors, **the link between pay and performance; the mix between fixed and variable pay; performance goals; and equity-based plan costs**;
2. Avoid arrangements that risk “pay for failure”: This principle addresses the appropriateness of long or indefinite contracts, excessive severance packages, and guaranteed compensation;
3. Maintain an independent and effective compensation committee: This principle promotes **oversight of executive pay programs** by directors with appropriate skills, knowledge, experience, and a sound process for compensation decision-making (e.g., including access to independent expertise and advice when needed);
4. **Provide shareholders with clear, comprehensive compensation disclosures**: This principle underscores the importance of informative and timely disclosures that enable shareholders to evaluate executive pay practices fully and fairly; and
5. Avoid inappropriate pay to non-executive directors: This principle recognizes the interests of shareholders in ensuring that compensation to outside directors is reasonable and does not compromise their independence and ability to make appropriate judgments in overseeing managers’ pay and performance. At the market level, it may incorporate a variety of generally accepted best practices.

Glass Lewis (U.S. 2025)

Compensation committees are also responsible for the oversight of the transparency of compensation. This oversight includes disclosure of compensation arrangements, the matrix used in assessing pay for performance, and the use of compensation consultants.

When assessing the performance of compensation committees, we will consider recommending that shareholders vote against the following: . . .

- The chair of the compensation committee where the CD&A provides **insufficient or unclear information about performance metrics and goals, where the CD&A indicates that pay is not tied to performance, or where the compensation committee or management has excessive discretion** to alter performance terms or increase amounts of awards in contravention of previously defined targets. . . .
- All members of the compensation committee when the board has **materially decreased proxy statement disclosure regarding executive compensation policies and procedures in a manner which substantially impacts shareholders’ ability to make an informed assessment** of the company’s executive pay practices. . . .



Compensation Discussion & Analysis (CD&A)

Introduction/Opening

Companies vary significantly in their approach to the organization of the CD&A. Because this section of the proxy can be long, technical, and dense, the introduction should be used to provide a roadmap for readers.

What to Think About

The volume and complexity of compensation disclosures can make the CD&A difficult to navigate. Investors want to find relevant compensation information quickly and easily to inform their voting determinations.

The CD&A introduction should help proxy voters navigate the voluminous and often complicated executive compensation pages that follow. In particular, it should contain a dedicated table of contents or overview of key CD&A topics. Some companies supplement a mini table of contents with a short description of each main section.

In addition to giving a roadmap for the CD&A section, the introduction should introduce the named executive officers, ideally with thumbnail pictures. This will help readers quickly identify the officers and aid their understanding of the role, objectives, and compensation decisions for each individual.

Labrador Transparency Award Criteria



- The CD&A starts with a dedicated table of contents or similar overview of key topics and identifies the NEOs in a table or other visual format.



◀ Table of Contents Topic Table of Contents

Benchmarking

CD&A Introduction

51.0%

CD&A introduction includes a table of contents with page numbers

73.0%

CD&A introduction includes NEOs presented in a table format or visual format with picture

33.0%

CD&A introduction includes a photo of each NEO

Key Examples

Flowserve 2024 Proxy Statement

Includes introductory sentence, TOC, and headshots of NEOs

Schlumberger 2024 Proxy Statement

Begins introductory sentence and headshots of NEOs followed by detailed TOC

Spire 2024 Proxy Statement

Starts with TOC, then introductory sentence and headshots of NEOs; more color

EXECUTIVE COMPENSATION
Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the decisions made concerning the 2023 compensation of the Company's Named Executive Officers or "NEOs", as shown below. It also describes our executive compensation guiding principles and other attributes related to executive compensation governance policies.

Contents

- Executive Summary Page 35
- Compensation Program Philosophy and Principles Page 38
- 2023 Executive Compensation Decisions Page 42
- Compensation Governance Policies Page 55
- Summary Compensation Table Page 57

2023 Named Executive Officers

During 2023, our NEOs were:

2023 Named Executive Officers

- R. Scott Rowe**, President & Chief Executive Officer ("CEO")
- Amy Schweitz**, Senior Vice President, Chief Financial Officer ("CFO")
- Lamar Duhan**, President, Flowserve Pumps Division⁽¹⁾
- Kirk Wilson**, President, Flowserve Flow Control Division
- Susan Hudson**, Senior Vice President, Chief Legal Officer and Corporate Secretary ("COO")

⁽¹⁾ Mr. Duhan assumed the role of President, Flowserve Pumps in February 2023. He previously held the role of President, After Market Sales and Service ("AMSS").

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Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) describes our compensation policies and practices as they relate to our five named executive officers (NEOs) identified below. The purpose of the CD&A is to explain the elements of our NEOs' 2023 compensation, the criteria for selecting these elements, the decisions our Compensation Committee made with respect to the 2023 compensation of our NEOs, and the reasons for those decisions.

CD&A Table of Contents

- 2023 Compensation Decisions and Results 33
- Framework for Setting 2023 Executive Compensation 34
- Program Design and Pay-for-Performance Philosophy 34
- At-Risk Pay Mix 35
- Responsiveness to Shareholder Feedback 35
- Best Practices in Executive Compensation Governance 36
- Elements of 2023 Total Compensation 36
- Base Salary 36
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- Our Peer Group Companies 47
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Executive compensation

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- Analysis of 2023 compensation decisions and actions 40
- Executive compensation governance 44
- Severance and change in control 48
- Other Company-provided benefits 49
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- Pay versus performance 62

Compensation Discussion and Analysis ("CD&A")

This CD&A contains a detailed description of the Company's executive compensation program, including our compensation philosophy, the elements of compensation we provide to our named executive officers ("NEOs"), the process undertaken to determine awards of compensation and the actual compensation provided to our NEOs in fiscal year 2023.

Our named executive officers

The Company's NEOs for fiscal year 2023 were:

Our named executive officers

- Suzanne Silherwood**, President and Chief Executive Officer
- Steven P. Basche**, Executive Vice President, Chief Financial Officer
- Steven L. Lindsey**, Executive Vice President, Chief Operating Officer
- Mark C. Darrell**, Senior Vice President, Chief Legal and Compliance Officer
- Michael C. Gelberbart**, Senior Vice President, Chief Strategy and Corporate Development Officer

⁽¹⁾ Ms. Silherwood announced her retirement from the Company effective January 1, 2024.
⁽²⁾ Mr. Lindsey was named president and chief executive officer of the Company effective October 1, 2023.
⁽³⁾ Mr. Darrell retired from the Company effective December 1, 2023.

Spire Inc. | 2023 Proxy Statement 33



Communication from Compensation Committee

In recent years, many companies, particularly those with pay issues, include a message from the compensation committee at the start of CD&A to explain the rationale for compensation decisions. These messages strike a more persuasive tone, focus on shareholder engagement and responsiveness, and go beyond the required Compensation Committee Report, which states simply that the committee discussed the CD&A with management and recommended to the board that the CD&A be included in the proxy.

What to Think About

Shareholders hold the compensation committee accountable for executive pay practices and will vote against committee members if amounts are excessive, practices are problematic, or there is a pattern of not being responsive to shareholder concerns.

Accordingly, once concerns have been identified, it is imperative to have transparent disclosures to effectively communicate any changes to address those concerns. Often, shareholders want to hear from the independent compensation committee.

Even companies with high SOP votes may at times use a letter from the compensation committee to communicate directly to their shareholders - either to provide more context to what's to come in CD&A or to highlight their history of favored pay practices.

In crafting a communication from the compensation committee, consider the following:

- **Content:** Examples of key messages include:
 - an explanation of actions taken during the year that need additional

clarification or may be viewed as problematic (such as special grants)

- expressing a “we heard you” message following unsatisfactory SOP results
- describing the use, or lack, of discretion in the company’s incentive programs
- **Format:** Leverage formatting to ensure key messages are highlighted:
 - Include descriptive headings
 - Use callout boxes or other graphic elements to discuss engagement activities and stockholder feedback, any changes to the compensation program, and any enhanced CD&A disclosure

- **Location and cross-references:** Include at the beginning of the CD&A Executive Summary section, and consider highlighting the communication in the main TOC, letter(s) from leadership and/or general shareholder engagement section.
- **Other formats:** Consider these alternatives to a standard letter:
 - Q&A with compensation committee chair
 - Targeted committee or chair commentary throughout the CD&A by any problematic pay practice or area of concern



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Benchmarking

Communication from Compensation Committee

18.0%

Letter from the Compensation Committee that presents highlights of the compensation program

Author of the letter:

88.9%

Entire committee

11.1%

Committee chair

Topics discussed in the letter:

94.4%

Compensation program overview or highlights (changes)

50.0%

SOP score

22.2%

Leadership changes

22.2%

Special adjustments or bonuses

Key Examples

Johnson & Johnson 2024 Proxy Statement

No SOP issues from prior year, instead the compensation committee used the letter to explain their process of conducting a joint review of the impact of excluding non-GAAP items from incentive award calculations with the audit committee



A message from our Compensation & Benefits Committee

Dear fellow shareholders:

2023 has been a pivotal year in Johnson & Johnson's 137-year history. With the successful separation of Kenvue, the Company is now the clear global leader in healthcare innovation. Johnson & Johnson remains guided by Our Creed and its ambition to profoundly impact health for humanity through our Research and life-enhancing products. The company's sharpened focus on Innovative Medicine and MedTech positions it to better address the complexity of the global healthcare environment and to navigate the rapidly evolving macroeconomic environment. We have seen this focus translate into robust performance across the Enterprise, with the Company exceeding its financial and strategic goals set at the start of the year. In addition, the Company continued to strengthen its innovation pipeline, with several catalysts which have the potential to enhance its future performance.

Every year, we review the executive compensation structure to ensure that we are incentivizing strong results in a manner that is consistent with the values embodied in Our Creed. We also engage with our shareholders to gain feedback on the executive compensation program. The Company's 2023 Say on Pay vote won strong shareholder support at 83%. We believe that this level of shareholder support for the executive compensation program is a result of our continued engagement with our shareholders and the enhancements we have made to our executive compensation program and processes over the years.

When evaluating 2023 performance, we conducted a comprehensive joint review with the Audit Committee of all items excluded from non-GAAP performance measures for the purpose of measuring results under the incentive compensation plans. The Committee believes that using certain non-GAAP metrics, which is common among our peers, helps avoid both unwarranted windfalls and penalties that are beyond the control of executives, while promoting accountability and aligning compensation to performance objectives that accurately reflect company performance. For example, the 2023 annual incentive results and payout factors have excluded both the one-time, non-cash gain of \$21 billion related to the Consumer Health separation in accordance with the Company's adjusted non-GAAP results policies and past practices and the \$7.1 billion settlement charge related to talc matters. We determined that the compensation program encompassed the effect of special items through their impact on our long-term equity compensation and that no adjustments to incentive payouts related to non-GAAP items were warranted.

As a reflection of the strong financial outcomes achieved in 2023, the Enterprise annual incentives were achieved at 130.4% of target. The 2023-2023 PSU paid out at 180.8% of target.

We are confident that the future of the Company is strong and supported by a compensation program that rewards performance and aligns with shareholders' interests. We thank you for your continued feedback and respectfully request your support for our 2024 Say on Pay proposal.

Sincerely,


Marilyn A. Hewson
Chair




Dariusz Adamczyk




D. Scott Davis




Hubert Joly





Key Examples

Netflix 2024 Proxy Statement

Short letter from compensation committee chair following two years of low SOP (less than 30%) that details significant changes to 2024 compensation program; letter is followed by 5+ pages of shareholder engagement and additional detail, including a graphic that shows 2022, 2023 and 2024 evolution of compensation

A Message from the Compensation Committee Chair

In response to the results of the 2023 advisory vote on executive compensation, the Compensation Committee engaged with shareholders and considered their feedback regarding our executive compensation practices. As a result, we've adopted significant changes to our executive compensation program for 2024 that we believe are in the best interests of Netflix and our shareholders. These changes include:

- eliminating the ability to allocate compensation between cash salary and stock options for our Executive Officers;
- increasing guaranteed cash compensation by setting base salary at \$3 million for the co-CEOs, \$100,000 for our Executive Chairman, and \$1.6 million for the other Executive Officers;
- expanding participation in the annual performance-based cash bonus program to all Executive Officers;
- granting performance-based restricted stock unit awards and time-based restricted stock unit awards with expanded vesting terms instead of stock options for long term equity compensation;
- ending our change-in-control severance arrangements for Executive Officers to include "double-trigger" provisions; and
- adopting stock ownership guidelines for Executive Officers.

The Compensation Committee believes these changes to our compensation structure will continue to attract and retain top talent to support our growth and incentivize our Executive Officers to execute on strategies aimed at achieving long-term success, while bringing our executive compensation program more in line with shareholder expectations regarding executive compensation practices. We also believe these changes are welcomed by our shareholders based on our engagement with them following our 2023 annual meeting and that such changes will further the alignment of our compensation structure with shareholder interests. We encourage you to review the Compensation Discussion and Analysis section that describes in further detail the comprehensive changes to our executive compensation program.

We appreciate the constructive feedback we received from our shareholders and their recognition of the significant executive compensation program changes we have made in response. We look forward to continuing the open dialogue.

We value your trust in and commitment to Netflix, and thank you for being a shareholder.

Tim Haley
Compensation Committee Chair/Person

2023 Named Executive Officers

The Compensation Discussion and Analysis describes the compensation program for our seven Named Executive Officers listed below, and the titles reflect the positions held by each Named Executive Officer on December 31, 2023.

As of December 31, 2023, our executive officers as defined under Rule 3b-7 ("Executive Officers") were the following five individuals:

- Timothy S. Sandeford, Co-Chief Executive Officer and President
- Greg Peters, Co-Chief Executive Officer and President
- Reed Hastings, Executive Chairman of the Board
- Spencer Neumann, Chief Financial Officer
- David Hyman, Chief Legal Officer

Additionally, Rachel Whitestone (Chief Communications Officer) and Sergio Ezama (Chief Talent Officer) were executive officers, as defined under Rule 3b-7 through January 15, 2023, and remain employed at the Company. Ms. Whitestone and Mr. Ezama are Named Executive Officers for 2023 under Item 402 of Regulation S-K and their compensation will be disclosed below alongside that of Messrs. Sandeford, Peters, Hastings, Neumann and Hyman, who are also Named Executive Officers for 2023.

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Executive Engagement and the 2023 Say-on-Pay Vote Result

The Compensation Committee substantially redesigned the 2024 compensation program for our Executive key areas of shareholder feedback. These changes were the result of the Committee's review of the 2023 executive compensation ("Say-on-pay vote") and feedback from shareholders subsequent to our 2023 annual meeting and a continued evolution of the executive compensation program that began following the 2022 annual meeting.

At our 2023 say-on-pay vote, the Compensation Committee had already approved our 2023 executive compensation program changes to the executive compensation program that were responsive to the 2023 say-on-pay vote and were adopted for 2024.

In addition to the changes to the compensation program, the Compensation Committee also adopted a new program to support our growth and incentivize our Executive Officers to execute on strategies aimed at achieving long-term success, while bringing our executive compensation program more in line with shareholder expectations regarding executive compensation practices. We also believe these changes are welcomed by our shareholders based on our engagement with them following our 2023 annual meeting and that such changes will further the alignment of our compensation structure with shareholder interests. We encourage you to review the Compensation Discussion and Analysis section that describes in further detail the comprehensive changes to our executive compensation program.

Shareholder Engagement

At our 2023 say-on-pay vote, the Compensation Committee had already approved our 2023 executive compensation program changes to the executive compensation program that were responsive to the 2023 say-on-pay vote and were adopted for 2024.

In addition to the changes to the compensation program, the Compensation Committee also adopted a new program to support our growth and incentivize our Executive Officers to execute on strategies aimed at achieving long-term success, while bringing our executive compensation program more in line with shareholder expectations regarding executive compensation practices. We also believe these changes are welcomed by our shareholders based on our engagement with them following our 2023 annual meeting and that such changes will further the alignment of our compensation structure with shareholder interests. We encourage you to review the Compensation Discussion and Analysis section that describes in further detail the comprehensive changes to our executive compensation program.

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Compensation Discussion and Analysis

net with shareholders to solicit feedback on our executive compensation program changes and discuss other key areas of shareholder feedback. These changes were the result of the Committee's review of the 2023 executive compensation ("Say-on-pay vote") and feedback from shareholders subsequent to our 2023 annual meeting and a continued evolution of the executive compensation program that began following the 2022 annual meeting.

At our 2023 say-on-pay vote, the Compensation Committee had already approved our 2023 executive compensation program changes to the executive compensation program that were responsive to the 2023 say-on-pay vote and were adopted for 2024.

In addition to the changes to the compensation program, the Compensation Committee also adopted a new program to support our growth and incentivize our Executive Officers to execute on strategies aimed at achieving long-term success, while bringing our executive compensation program more in line with shareholder expectations regarding executive compensation practices. We also believe these changes are welcomed by our shareholders based on our engagement with them following our 2023 annual meeting and that such changes will further the alignment of our compensation structure with shareholder interests. We encourage you to review the Compensation Discussion and Analysis section that describes in further detail the comprehensive changes to our executive compensation program.

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24 Executive Compensation Program

Evolution of Our Executive Compensation Program in Response to Shareholder Feedback

2022 Compensation Program → **2023 Compensation Program** → **2024 Compensation Program**

Per subject to performance metrics: 50% (2022), 60% (2023), 65% (2024)

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Compensation Discussion and Analysis

WHAT WE HEARD FROM SHAREHOLDERS

HOW WE RESPONDED IN EVOLVING OUR 2024 EXECUTIVE COMPENSATION PROGRAM

WHAT WE HEARD FROM SHAREHOLDERS

HOW WE RESPONDED IN EVOLVING OUR 2024 EXECUTIVE COMPENSATION PROGRAM

WHAT WE HEARD FROM SHAREHOLDERS

HOW WE RESPONDED IN EVOLVING OUR 2024 EXECUTIVE COMPENSATION PROGRAM

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1. Percentages are based on shares outstanding as of December 31, 2023.





Key Examples

Boeing 2024 Proxy Statement

Letter from full compensation committee following low SOP and ongoing global challenges and safety concerns; letter appears on the proposal page, includes callouts with changes to performance-based plans and descriptive headings; first section of CD&A is devoted to shareholder engagement and providing context for NEO pay over the past several years

Intel 2024 Proxy Statement



Letter highlights high SOP vote, rebounding after engagement following 2022 meeting, and provides context for 2023 pay outcomes; good use of descriptive headings, ending with a discussion on continued stockholder engagement

Task of Context

APPROVE, ON AN ADVISORY BASIS, NAMED EXECUTIVE OFFICER COMPENSATION (ITEM 2)

PROPOSAL SUMMARY
Pursuant to Section 14(a) of the Securities Exchange Act of 1934, or the Exchange Act, shareholders are being asked to approve, on an advisory basis, the compensation of the named executive officers as set forth under the heading "Compensation Discussion and Analysis and the accompanying compensation tables and related text. We expect that the advisory vote on executive compensation will occur at our 2024 Annual Meeting of Shareholders.

To Our Shareholders:
Amidst global challenges in 2023, we saw progress in our multi-year strategic and operational transformation—but we have more to do. Over the past few years, our business has been impacted by a series of extraordinary challenges, including the lengthy grounding of the 737 MAX, the COVID-19 pandemic, geopolitical instability and significant supply chain constraints. Every step of the way, our leaders have focused these tools: being honest, bringing ability, and growth to our operations while believing in safety-first culture built on transparency and integrity.

NEW for 2023 Annual Incentives

- Reduced upper range of individual performance score from 200% to 150%
- Expanded qualitative product safety-related metrics for NEO individual performance evaluations
- Increased weighting of enterprise financial performance

NEW for 2023 Long-Term Incentives

- Eliminated stock options
- Added performance-based stock units tied to cumulative free cash flow goals, reinforcing alignment with business strategy
- Increased weighting of performance-based long-term incentives, over 50%

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Task of Context

APPROVE, ON AN ADVISORY BASIS, NAMED EXECUTIVE OFFICER COMPENSATION (ITEM 2)

We are committed to hearing your views on how our program can be further aligned to your interests and taking that feedback into account in our decision-making. We also heard shareholders request more explanation for our executive pay decisions, including additional detail regarding the rationale for individual named executive officer compensation actions. In this proxy statement, we reaffirm, and have acted upon, our commitment to providing robust and transparent explanations for the Compensation Committee's actions.

We remain steadfastly committed to pay for performance, and we believe our pay outcomes reflect this commitment.

Our compensation program is designed to align pay with performance. Consistent with this philosophy, the vast majority of target compensation for our named executive officers—80% on average—is at risk, and this performance-based structure is designed to deliver value only when the Company delivers value to our shareholders. On page 50, we have included a discussion on the demonstrated outcomes of this structure.

Our is a long cycle business, with the majority of CEO pay tied to that cycle.

Our is a long cycle business, and we are committed to tying pay to performance over the long term. To that end, since 2021 we have designed our CEO's long-term incentive awards so that they do not pay out if he leaves the Company and thereafter an equal number of our top executives must hold any shares acquired through the exercise of stock options with the Company. In this way, the value of the long-term compensation will better track the Company's performance over the long term, when the results of the decisions he has made become more apparent.

As always, we appreciate the time you take in reading and considering this disclosure, and we are confident that demonstrates our commitment to deliver value aligned with your interests while attracting and retaining leaders who are laser-focused on delivering superior results. We hope to have your support in this year's say-on-pay vote.

Sincerely,

Members of the Compensation Committee
Lynn J. Cook, Chair
Lynn M. Douglas
David L. Joyce
Steven M. Mullenduff
Ronald A. Williams

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Letter from the Talent and Compensation Committee

Dear Fellow Stockholders,

The Talent and Compensation Committee of the Board (Compensation Committee), along with the entire Board, was pleased to see our Say-on-Pay vote pass with 91.2% support at our 2023 Annual Stockholders' Meeting. This result followed a detailed and comprehensive series of engagements with our stockholders, culminating in responsive changes to our executive compensation programs that were introduced in late 2022. We are confident that this result indicates that our executive compensation programs meet investor expectations, and we commit to continue including the feedback of our stockholders as we design and employ our executive compensation programs.

Strong Performance in a Challenging Environment

Intel faced a difficult operating and macroeconomic environment during 2023, with multiple factors driving uncertainty and heightened risk globally. We anticipated continued impacts on Intel both directly and in the context of these broader forces on our customers and suppliers. Given the challenges faced by the company and our industry due to material weakness in our PC and data center markets driven by industry-wide inventory corrections, the Compensation Committee set financial targets for several metrics in our incentive plans at levels that, while rigorous, were lower than our actual results in 2022. Targets were set based on our operating plan, the broader macroeconomic environment, and the expectations of our stockholders, and the Compensation Committee is confident that the goals set a high bar for achievement and properly incentivized our executives to drive outperformance.

We were greatly pleased that these demanding standards translated into strong corporate performance in 2023 despite the challenging environment. Through the hard work of the entire Intel team, the company delivered on multiple fronts throughout 2023 by executing on key milestones towards achieving our strategy to re-establish our process leadership, building out our capacity and foundations, improving product execution, and beginning to bring AI everywhere across our product segments. These actions were recognized by investors and translated directly into value for our stockholders, reflected in our TSR of 94.6% for the year.

As a result, our annual incentive program paid out at 183.7% for our Chief Executive Officer (CEO) and an average of 101.38% for our other named executive officers (NEOs), with payouts varying for our non-CEO NEOs due to the inclusion of individual performance goals. However, the PSUs granted in 2021 to be earned based on 2021-2023 performance were not earned. These divergent outcomes accurately reflect our strong 2023 performance in the context of a difficult three-year period, and the tie between pay outcomes, our performance, and the experience of our stockholders, which indicates to us that our compensation design is working as intended. We believe that our success in 2023 positions us well to continue to deliver results for our stockholders.

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Letter from the Talent and Compensation Committee

Positioning Intel for the Long-Term

Cost reduction and cash preservation were two of our top strategic goals for the year. In an effort to reduce costs across the company in 2023, we made the difficult decision to implement reductions to our 2023 employee compensation. These reductions were designed to most significantly impact our executives. Notably, these included a 20% base salary reduction for our CEO and a 10% base salary reduction for our other NEOs for the period from March 1, 2023 through September 30, 2023. These reductions also had the effect of lowering 2023 target bonuses for our executives, which are calculated as a function of base salary paid. In addition, the Board decided to temporarily reduce the cash retainer portion of our directors' fees by 25%, and our Board Chair Frank Yeari also decided to temporarily reduce his additional Chair cash retainer fee by 25%. Effective October 1, 2023, we restored our NEOs' base salaries and director cash retainers to the levels in place at the beginning of the year. In recognition of the efforts and sacrifices of our employees, we granted "Austerity RESUR" awards to impacted employees (other than the CEO) in December 2023. The Compensation Committee believes that these actions, in the aggregate, have positioned the company to continue building on our strong momentum, by being thoughtful about our overall spend while also investing in the talent that is going to drive Intel forward.

Continued Engagement with Stockholders

We were pleased to see high support for our 2023 Say-on-Pay proposal. We believe this is a direct function of our history of stockholder engagement and our consideration of stockholder concerns when designing our executive compensation programs. Following the 2023 Annual Stockholders' Meeting, we again conducted comprehensive stockholder engagement on executive compensation and other key topics, reaching out to and meeting with a significant number of our institutional stockholders. As in years past, our Board Chair, Frank Yeari, and/or our Compensation Committee Chair, Dion Weisler, led a substantial number of these meetings. The feedback received in these meetings was shared with the Intel Compensation Committee and the Board, and served as valuable input for Board decisions.

As we continue to make progress with our IDM 2.0 strategy, we see compensation as a key component in attracting, retaining, and incentivizing our executives talent. The talent market remains fiercely competitive, and a strong compensation design is an important factor in the retention of key talent to deliver results for our stockholders. We look forward to our ongoing dialogue and maintaining executive compensation programs that are responsive to your feedback and aligned with your expectations.

Sincerely,

The Talent and Compensation Committee

Dion J. Weisler, Chair
 James J. Goets, Member
 Alysa H. Henry, Member (effective February 1, 2024)
 Rita Lefkowitz-Mooney, Member
 Barbara G. Newick, Former Member (through January 31, 2024)

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Key Examples

Exxon Mobil 2024 Proxy Statement

No SOP issues from prior year; letter from compensation committee chair includes three most recent years of high SOP votes; letter followed by 1-page "Why Vote 'For' Say on Pay?" and 1-page "Approach to Compensation" that ends with a quote from Exxon's lead independent director on sustainability and long-term value creation

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EXECUTIVE SUMMARY

LETTER TO SHAREHOLDERS

Follow Shareholders.

As you consider your vote, we encourage you to review the information included in this disclosure. The Committee supports the design and the resulting pay outcomes of the executive compensation program, we believe it aligns well with the Company's business model and considers the company of the environment in which the Company operates. Executive performance is evaluated across all performance dimensions consistent with the Company's long-term strategy.

Your feedback is important. The Committee considers the results of the Say-on-Pay vote, together with feedback received through ongoing stakeholder engagement, as it reviews the effectiveness and competitiveness of the executive compensation program, taking into account business context and market practices.

Business Perspective

Exxon Mobil's business involves large investments that create shareholder value over long periods of time, requiring executives to maintain a long-term view when making decisions across a wide range of business investments. The executive compensation program design reflects this and has proven to be adaptive to leading strategic priorities.

In 2023, Exxon Mobil delivered strong business results across all performance dimensions. Exxon Mobil's delivery on both sides of the "E" of equation – meeting society's needs for energy and essential products – and reducing emissions. The Company's disciplined approach and aggressive cost management allow to realize the full benefit of market conditions and deliver strong financial performance.

Compensation Decisions

We do not adjust these grants to other changes in share price, nor do we adjust the bonus program formula as a result of year-over-year changes in earnings. Therefore, total direct compensation is lower in 2023 vs. 2022 effective of lower earnings and share price.

The compensation program design remains strong, highly performance based, share denominated and tied to business and individual performance, resulting in a strong market position, while maintaining alignment with the experience of our long-term shareholders.

Shareholder Engagement

Throughout 2023, management and independent directors engaged with shareholders, representing over two-thirds of outstanding institutional and individual shares. We value your strong support for the program, with long restriction periods, pay-for-performance, share-denominated basis, and strong governance cited as key strengths, effectively tying executive pay to shareholder outcomes.

We continue to enhance our disclosure, reflecting your feedback, and our ongoing commitment to create further clarity. We also to be transparent on how the Board holds management accountable to deliver business results and on the Company's strategic objectives, including the Company's role in the energy transition. You will find information in this disclosure on how the Committee carefully considers performance, and resulting pay outcomes.

On behalf of the Compensation Committee, I encourage you to vote "FOR" Item 3.

Pay-on-Pay	2023	2022	2021
2023	78%	78%	78%

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WHY VOTE 'FOR' SAY-ON-PAY?

PROGRAM ALIGNED WITH BUSINESS MODEL AND SHAREHOLDER RETURNS

Program adaptable to evolving strategic priorities through annual goal setting includes positioning the Company for success in the energy transition.

Majority of total direct compensation delivered in performance shares; 78 percent of CEO total direct compensation.

Share-denominated basis coupled with long restriction periods ensures alignment with shareholders over long term.

Restriction periods – longest in any industry – promote accountability to maximize shareholder value over the long term while effectively managing longer-term risks, including risks related to the energy transition.

PAY HIGHLY PERFORMANCE BASED AND TIED TO COMPANY PERFORMANCE

Strong 2023 business results across all performance dimensions.

Delivered strong financial performance through advanced asset investments, improved competitiveness, and active cost control.

Maintained industry-leading personnel safety performance².

On track to achieve 2030 GHG emission reduction plans³.

Lower cash bonus and performance share grant value versus 2022, reflective of the change in year-over-year earnings and stock price, respectively.

COMPENSATION COMMITTEE APPROACH TO DELIVER MARKET COMPETITIVE PAY

Deliberation on overall level of CEO pay considers progress toward strategic objectives, business results, individual performance, and competitiveness of pay given role in position.

10-year contract signed and unexpired (per 2015 to 2023) for CEO position at 4th percentile⁴.

The Committee anticipates a competitive position in 2023 based on available data from benchmark companies.

SUPPORTED BY STRONG GOVERNANCE PRACTICES

Key design features that discourage executives from taking inappropriate risk include:

- ✔ Extensive stock ownership
- ✔ Significant pay clawback
- ✔ Strong forfeiture provisions
- ✔ Clawback policies
- ✔ Anti-hedging policy
- ✔ Annual assessments of compensation design
- ✔ Independent compensation consultant
- ✔ No employment contracts
- ✔ No waiver or pre-agreements
- ✔ No change-in-control arrangements
- ✔ No guaranteed bonuses
- ✔ No additional stock grants to balance losses in value
- ✔ No accelerated vesting at retirement

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COMPENSATION DESIGN

APPROACH TO EXECUTIVE COMPENSATION

The decisions that our executives make and the risks they manage play out over multi-year time horizons. Executives are required to carefully consider current and future risks, such as those related to the energy transition, and to make decisions across a broad range of business investments that generate sustainable shareholder value over the long term.

The Company's executive compensation program design aligns executive pay with the results of their decisions and the returns of our shareholders over the long term. The program is designed to drive long-term accountability, reward outstanding performance, and promote retention.

DELIVER LONG-TERM ACCOUNTABILITY

The Company's strategic objectives have been established to drive sustainable value while positioning the Company for long-term success in a lower-emission future. These objectives are translated into annual plan goals through a comprehensive process which incorporates Corporate and Functional Plans. Goals are incorporated in the Corporate Plan, which is reviewed and approved by the Board and provides the framework for the organization's commitments.

REWARD OUTSTANDING PERFORMANCE

Highly differentiated pay for performance is foundational to the Company's compensation program design. The intent is to reward those who achieve pre-established goals, assessed over time, and to gain time horizons, a key differentiating factor in executive pay deliberations. Performance evaluation directly impacts level of base salary, bonus, and performance share award grant.

PROVIDE RETENTION

Long-term retention also stems from the Company's development. It begins with recruiting exceptional people and continues with individually tailored experience and training, which leads to broad development and a deep understanding of our business across the business cycle.

The compensation program is designed to attract and retain talent for a career through compensation that is market competitive, highly differentiated by individual performance, and with long restriction periods that promote retention.

For more information, see the Annual Report, Advancing Climate Solutions, Sustainability Report, and Investing in People supplements.

Joseph L. Hoodley
Lead Director
Exxon Mobil Corporation

The Company remains committed to creating sustainable solutions that improve quality of life and meet society's evolving needs. The Company's independent strategic objectives have been established to position the Company for long-term success in a lower-emission future.

These long-term strategic objectives include delivering industry-leading reductions in emissions intensity for its own operations and solutions for hard-to-decarbonize sectors. The move to a low-emission future requires multiple solutions that can be implemented at scale to address some of the highest emitting sectors of the economy.

The Board recognizes that the Company, by leveraging its core capabilities, is uniquely positioned to play a leading role in the energy transition while retaining excellent flexibility across a portfolio of existing opportunities to maximize shareholder value. A business portfolio resilient to a cyclical commodity price environment and transportation system positions the Company well to generate sustainable growth in shareholder value over the long term.

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CD&A Summary

The purpose of the CD&A is to give investors a clear and complete understanding of the company's compensation policies and decisions. Because effectively and transparently disclosing the many details that SEC rules require typically causes CD&A sections to span several pages, companies often start with an executive summary that provides an overview of the compensation program's most important attributes, notes changes for the applicable year, and explains, at a high-level, key compensation committee decisions.

What to Think About

Investors have a variety of “asks” when it comes to executive compensation. Among other things, they want the compensation structure to align executives' interest with shareholder interests, to produce results that reflect company performance, to be commensurate with peers, to rely on performance metrics that advance the company's strategy, and to incorporate certain key ESG priorities. Investors also want visibility into the compensation committee's decision-making process so they are comfortable that the committee was thoughtful and mindful of industry and market practices and set appropriately rigorous performance targets. Moreover, they expect full, transparent, and effective disclosures.

In short, the CD&A contains a lot of information! As a result, it's a good idea to give readers some guidance on how to navigate the disclosures. An executive summary section provides a snapshot of the compensation program and decisions for readers who just want an overview, and suggests topics that may warrant specific attention for readers who are hungry for detail.

We recommend populating the executive summary with brief descriptions of some (or all) of the following items:

- Business or performance highlights, particularly with respect to performance measures used in the incentive plans
- Compensation philosophy and objectives

- Overview and rationale for current pay elements, including weightings and underlying performance metrics
- Compensation highlights from the last year, including payouts under incentive programs
- Say on pay results from the prior year
- Any changes to the compensation program, especially if in response to recent say on pay results or stockholder engagement
- How the program has aligned pay and performance and created value for shareholders

Well designed infographics are very helpful for conveying much of this information.



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Benchmarking

CD&A Summary

68.0%

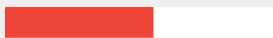
The document includes a CD&A summary



CD&A summary includes:

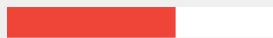
55.9%

An overview of actual/paid compensation



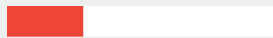
63.2%

Changes to the program for the reporting year or states that there are no changes from the prior year



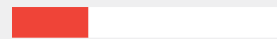
29.4%

Pay-for-performance alignment discussion



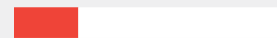
29.4%

Alignment on a year-over-year basis



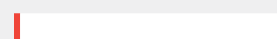
25.0%

Alignment on a 3 year basis



2.9%

Alignment on a 5 year basis



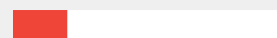
73.5%

Prior year say-on-pay voting results



20.6%

SOP results are presented in graphic form



16.2%

SOP results are presented over time, not just prior year



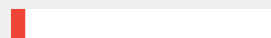
25.0%

Changes in leadership



5.9%

The evolution of compensation program



64.0%

If say-on-pay proposal from prior year received less than 80% support, shareholder outreach and summary of feedback/committee response is included





Key Examples


CDW 2024 Proxy Statement

Business highlights, graphics showing shareholder value, an informative and different compensation elements table, compensation practices, and SOP results


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Compensation Discussion and Analysis


Our Named Executive Officers




Christina A. Leahy
Chief, President and Chief Executive Officer




Albert J. Mispolis
Senior Vice President and Chief Financial Officer



Sara Chavira
Chief Growth and Innovation Officer



Christina M. Conroy
Chief Commercial and Operating Officer



Frederick J. Kulevich
Senior Vice President, General Counsel & Corporate Secretary and Interim Chief People Officer

Our Compensation Discussion and Analysis ("CD&A") is divided into three sections:

- Overview**
 - 2023 Business Highlights
 - Long-Term Performance
 - Our Executive Compensation Program
 - Our Executive Compensation Practices
 - 2023 Say-on-Pay Vote
- What We Pay And Why**
 - 2023 Executive Compensation Decisions
 - Alignment of Executive Compensation Program with Operational Performance and Stakeholder Interests
 - Base Salary
 - Annual Cash Incentive Awards
 - Long-Term Incentive Program
 - Other Elements of Our 2023 Executive Compensation Program
- How We Make Executive Compensation Decisions**
 - Our Executive Compensation Philosophy and Objectives
 - Role of the Board, Compensation Committee and our Executive Officers
 - Guidance from Independent Compensation Consultant
 - Comparison to Relevant Peer Group

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Overview

2023 Business Highlights

The power of our resilient business model, balanced portfolio of customer end markets, and broad solutions led delivered strong gross profit results in a challenging market during 2023.

GAAP	Non GAAP
Operating Income: \$1.7 billion (3.1%)	Operating Income: \$2.0 billion (6.6%)
Net income per diluted share: \$8.10 (0.4%)	Net income per diluted share: \$9.88 (0.9%)
Gross Profit: \$21.4 billion (10.0%)	Gross Profit: \$24.4 billion (10.7%)

Percentages are year-over-year. See Appendix A for a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP measure.

For additional information regarding 2023 business highlights, please see the "Proxy Summary."

Long-Term Performance

Over the past 5 years, our cumulative total shareholder return has outperformed that of both the S&P 500 Index and our 2023 compensation peer group, as described below in "Comparison to Relevant Peer Group," and stayed relatively in line with that of the S&P 500 IT Index. We have returned \$4.2 billion to shareholders through dividends and share repurchases over that time period.

The cumulative total shareholder returns over the indicated period are based on historical data and should not be considered indicative of future shareholder returns.

CUMULATIVE TOTAL SHAREHOLDER RETURN

CASH RETURNED TO SHAREHOLDERS (in millions)

Year	Dividends	Share Repurchases
2019	\$507.2	\$583.6
2020	\$284.4	\$593.2
2021	\$298.8	\$706.4
2022	\$234.7	\$282.8
2023	\$322.2	\$821.5

The cumulative total shareholder return chart compares the cumulative total shareholder return, including reinvestment of dividends, on \$100 invested in CDW common stock for the period from market close on December 31, 2018 through market close on December 31, 2023, with the cumulative total return for the same time period of the same amount invested in the S&P 500 Index, the S&P 500 IT Index and our 2023 compensation peer group, as described below in "Comparison to Relevant Peer Group."

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Our Executive Compensation Program

Our executive compensation program is designed to drive above-market results. The program is built upon our performance-driven culture and long-standing executive compensation philosophy and objectives, as described below under "Our Executive Compensation Philosophy and Objectives," which we believe have been key contributors to our long-term success. The table below outlines each of the principal elements of the Company's executive compensation program:

Who Receives	Pay Element		
	Annual Cash Incentive Awards	Performance Share Units ("PSUs")	Stock Options
Who Granted	Annually	Annually	Annually
Form of Delivery	Cash	Equity	Equity
Type of Performance	Short-term emphasis (vs. salary)	Short-term emphasis (vs. salary)	Long-term emphasis (vs. salary)
Performance Period	1 Year	1 Year	3 Year Next over 3 years 10 year maximum term
How Payout Determined	Compensation Committee determination	Based upon objectives established by Compensation Committee	Based upon Formula established by Compensation Committee Based upon stock price appreciation between grant and exercise
2023 Performance Measures	Individual performance	Non-GAAP operating income, market share	Adjusted EBIT adjusted EPS* Stock price appreciation

* Represents adjusted base cash flow ("Adjusted EBIT") and non-GAAP net income per diluted share ("Adjusted EPS"), each calculated for incentive purposes as described below under "Long-Term Incentive Program: 2023 Long-Term Incentive Program Pay-For-Performance Alignment."

The chart below illustrates the pay-for-performance design of our 2023 executive compensation program. For 2023, approximately 91% of the target compensation of our CEO, President and Chief Executive Officer was variable, with the value tied to the achievement of specified financial performance goals and/or stock price performance.

2023 CEO TARGET COMPENSATION MIX

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Our Executive Compensation Practices

The Compensation Committee reviews on an ongoing basis the Company's executive compensation program to evaluate whether it supports the Company's executive compensation philosophy and objectives and is aligned with stakeholder interests. Our executive compensation practices include the following, each of which the Compensation Committee believes reinforces our executive compensation objectives:

What We Do	What We Don't Do
<ul style="list-style-type: none"> Significant percentage of target annual compensation delivered in the form of variable compensation tied to performance Long-term objectives aligned with the creation of shareholder value Target total compensation at the competitive market median Market comparison of executive compensation against a relevant peer group Use of an independent compensation consultant reporting directly to the Compensation Committee and providing no other services to the Company Double trigger vesting for equity awards in the event of a change in control under our long-term incentive plan 	<ul style="list-style-type: none"> We do not have 2020 tax gross-ups We do not have an enhanced severance multiple upon a change in control We do not have executive severance benefits We do not pay dividends or dividend equivalents on unearned equity awards under our long-term incentive plan We do not allow vesting of end-market stock options under our long-term incentive plan without stockholder approval We do not allow hedging or short sales of our securities, and we restrict pledging of our securities
<ul style="list-style-type: none"> Without stock ownership guidelines Clawback provisions Annual say-on-pay vote Limited perquisites Annual equity awards are granted following the release of the Company's annual earnings report 	

2023 Say-on-Pay Vote

As noted above, in its compensation review process, the Compensation Committee considers whether the Company's executive compensation program is aligned with the interests of the Company's stockholders. Our stockholders have overwhelmingly supported our executive compensation program, with an average approval of approximately 90% of the votes cast for the Company's say-on-pay vote at the annual meetings of stockholders since our IPO in 2013. As part of its review of the Company's executive compensation program, the Compensation Committee considered the approval for approximately 90% of the votes cast for the Company's say-on-pay vote at our 2023 Annual Meeting of Stockholders. The Compensation Committee determined that the Company's executive compensation philosophy and objectives and compensation elements continued to be appropriate and did not make any changes to the Company's executive compensation program in response to the 2023 say-on-pay vote.

2023 SAY-ON-PAY VOTE	AVERAGE SAY-ON-PAY VOTE SINCE IPO
90% APPROVAL	96% APPROVAL

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Key Examples

AIQ 2024 Proxy Statement



Executive transitions, graphics with specific information about the short- and long-term incentive programs, performance highlights, and target and actual pay for each NEO

Executive Summary

Our Named Executive Officers

Current Named Executives
Peir Zabala, Chairman and Chief Executive Officer
Sabra R. Purtil, Executive Vice President and Chief Financial Officer
Kevin T. Hogan, President and Chief Executive Officer, Corebridge Financial, Inc.
David McElroy, Executive Vice President and Chief Executive Officer, General Insurance
Claude Wade, Executive Vice President, Chief Digital Officer and Global Head of Business Operations

Former Executive Officers
Shane Fitzmaurice, Former Executive Vice President and Chief Financial Officer
Mark Lyons, Former Interim Chief Financial Officer and Executive Vice President, Global Actuary and Head of Portfolio Management
Lucy Fata, Former Vice Chair

Chief Financial Officer Transitions

During 2023, three individuals held the role of Principal Financial Officer at AIQ Parent, as described below.
 On January 1, 2023, Mr. Fitzmaurice was serving as Executive Vice President and Chief Financial Officer. In January 2023, Mr. Fitzmaurice began a temporary medical leave of absence. Effective July 1, 2023, Mr. Fitzmaurice left the Company for medical reasons. Mr. Fitzmaurice passed away on October 27, 2023.
 Mr. Lyons was appointed Interim Chief Financial Officer effective January 10, 2023, in addition to his role as Executive Vice President, Global Actuary and Head of Portfolio Management. On January 24, 2023, we terminated Mr. Lyons' employment after we became aware that he violated his confidentiality and disclosure obligations to the Company. These violations were unrelated to our financial statements, financial reporting generally and related disclosure controls and procedures, or reserves.
 Ms. Purtil was appointed Interim Chief Financial Officer effective January 25, 2023. When Mr. Fitzmaurice stepped down from his position due to medical reasons, Ms. Purtil was appointed Executive Vice President and Chief Financial Officer on a permanent basis, effective July 1, 2023.

Executive Compensation At-A-Glance

Chairman & CEO Annual Target Direct Compensation as of December 31, 2023

Average Annual Target Direct Compensation of Other Current Named Executives as of December 31, 2023

Chairman & CEO Compensation Breakdown:
 Base Salary: 12.0%
 Short-Term Cash Incentive: 25.5%
 Long-Term Equity Incentive: 62.5%
 At Risk Pay, Subject to Clawback: 82.5%

Other Current NEOs Compensation Breakdown:
 Base Salary: 17.0%
 Short-Term Cash Incentive: 34.0%
 Long-Term Equity Incentive: 49.0%
 At Risk Pay, Subject to Clawback: 82.5%

Long-Term Incentive (LTI) Award Allocation

Allocation to current named executives:

- 15% Chairman & CEO
- 75% Performance Based
- 10% Other Current NEOs

Stock Options
 All pay with shareholder interests by reusing stock appreciation and shareholder value creation.

Restricted Stock Units (RSUs)
 Further align the financial interests of our executive leadership team with our shareholders while supporting retention.

Performance Stock Units (PSUs)
 Align with shareholder expectations and reward the achievement of sustained improvement in key industry indicators of financial performance.

Stock Options and PSUs Allocation:
 30% Stock Options, 70% PSUs

2023 Performance and Pay Alignment Highlights

We continued to execute on key strategic initiatives in 2023 while continuing to deliver exceptional operational and financial results.

Three-year Total Shareholder Return (TSR) of 92.3% ranking in the top quartile relative to peers and outperforming the S&P 500

Execution of Multiple, Highly Complex Strategic Initiatives
 We repositioned our portfolio of businesses for sustainable, profitable growth with the divestitures of Wellrise Inc. for total cash consideration of \$3.3 billion and CIG for gross proceeds of \$234 million as well as the transfer of Private Client Select to an independent Managing General Agent platform. Collectively these transactions streamlined our business models, simplified our portfolios and reduce our volatility.

Strong Performance in General Insurance Resulting from Significant Improvement in Underwriting Income
 Our continued discipline and commitment to underwriting excellence yielded outstanding results. Our 2023 combined ratio of 95.6 improved compared to 95.9 in 2022. AIC, as adjusted, of 87.1 improved 1.0 point compared to 88.7 in 2022. General Insurance achieved \$2.3 billion in underwriting income, up 33 percent year-over-year.

Continued Balanced Capital Management Supporting Financial Strength, Growth and Shareholder Return
 In 2023, we returned \$3.0 billion of AIC's net common stock and paid \$1.0 billion in dividends, resulting in gross proceeds of \$2.0 billion. As of 2023, Corebridge made \$3.15 billion of common stock repurchases from AIG. Our ownership of Corebridge was reduced to 52.2 percent as of December 31, 2023. We reduced general borrowings by \$1.4 billion.

Continued Progress Towards Decommission and Separation of Corebridge
 We completed three secondary offerings of Corebridge common stock in 2023, resulting in gross proceeds of \$2.9 billion. As of 2023, Corebridge made \$3.15 billion of common stock repurchases from AIG. Our ownership of Corebridge was reduced to 52.2 percent as of December 31, 2023.

2023 Executive Compensation Decisions

Information for current named executives, informed by market practices in our peer group

Position	Target Compensation	Actual ⁽¹⁾	Target ⁽²⁾	Actual ⁽³⁾
Chairman & CEO	\$1,600,000	\$1,000,000	\$1,300,000	\$1,000,000
Executive Vice President	\$450,000	\$1,700,000	\$3,250,000	\$2,900,000
Executive Vice President	\$1,600,000	\$1,600,000	\$4,000,000	\$1,500,000
Executive Vice President	\$30,000,000	\$4,300,000	\$7,800,000	\$4,500,000

Information for current named executives, informed by target compensation, business performance and individual performance

Position	Target	Actual	Target	Actual
Chairman & CEO	\$1,600,000	\$1,000,000	\$1,300,000	\$1,000,000
Executive Vice President	\$450,000	\$1,700,000	\$3,250,000	\$2,900,000
Executive Vice President	\$1,600,000	\$1,600,000	\$4,000,000	\$1,500,000
Executive Vice President	\$30,000,000	\$4,300,000	\$7,800,000	\$4,500,000

Pay Design
 Philosophy is based on a set of foundational principles that guide how we design programs for our global workforce and how we reach decisions. It is performance-oriented and risk-balanced, enabling us to attract and retain the best talent for our business needs. We conduct our programs annually, balancing strategic priorities, talent feedback and market considerations to ensure the programs continue to drive results.

- Long-term oriented
- Strategically aligned
- Risk-balanced
- Talent attracting

AIQ 2024 PROXY STATEMENT

STATEMENT

AIQ 2024 PROXY STATEMENT

⁽¹⁾ Items in this Compensation Discussion and Analysis that are marked with an asterisk are non-GAAP financial measures which we used as performance measures in our incentive compensation programs. We make adjustments to U.S. GAAP financial measures for purposes of these metrics. See Appendix A for an explanation and a reconciliation of these metrics and calculations from our audited financial statements.



Key Examples

RTX 2024 Proxy Statement

Covers favorable SOP vote and shareholder engagement; performance, financial, and strategic highlights; compensation principles; and most recent pay decisions, including specific details for each NEO

COMPENSATION DISCUSSION AND ANALYSIS | EXECUTIVE SUMMARY

Executive Summary

Shareowner Engagement on Compensation

We actively seek—and highly value—feedback from our shareowners and their advisors. The Committee considers this feedback as part of its ongoing assessment of our program's effectiveness.

Our 2023 Say-on-Pay Vote

Each year, we consider the results of our advisory vote on executive compensation ("Say-on-Pay") from the prior year.

At our 2023 Annual Meeting of Shareowners, approximately 95% of the votes cast were in favor of the Committee's 2022 executive compensation decisions.

We interpreted this as an endorsement of our compensation program's design and direction.



Investor Outreach

This past year, our shareowner outreach efforts focused on our ongoing progress toward our corporate responsibility objectives, the Committee's pay decisions for our NEOs and how we can enhance our proxy disclosure to ensure it is clear and concise. Overall, investors were supportive of our current executive compensation program design, including our shift from qualitative to quantitative Corporate Responsibility Scorecard goals for our Annual Incentive Plan ("AIP"). The feedback we received on our proxy disclosure in response to these outreach efforts has been incorporated into this year's disclosure. For more information on our shareowner engagement, see page 34.

2023 Performance Overview

In 2023, we demonstrated business resilience, shaped our Company to capitalize on evolving customer demands, advanced our key strategic priorities and took decisive action to ensure the safety and quality of our products, all while delivering solid results.

Throughout the year, we maintained persistent focus on our mission—bringing people together through commercial aerospace and defending democracy across the globe. And in 2023, that mission was as vital as ever.

As the global threat environment drove increased domestic and international defense spending, our technologies and solutions positioned us to support our customers and powered our 2023 defense bookings of \$51 billion. We also capitalized on the return of air travel to pre-pandemic levels, realizing original equipment and aftermarket sales growth of 22% for our commercial aerospace business. In 2023, we transformed our Company by realigning our business units to leverage the full scale and power of the Company for our customers and to capture value for our shareowners.

Managing through the powder metal manufacturing matter (as detailed on page 1), supply chain pressure and inflationary challenges, we demonstrated business resilience and delivered on our commitments to our investors. We exceeded the adjusted net sales, free cash flow ("FCF") and adjusted earnings per share ("EPS") goals we communicated to investors in early 2023.⁽¹⁾

Further, we continued to deliver on our commitment to return capital to our shareowners, with \$3.2 billion in dividends and \$12.9 billion in share repurchases during the year, including executing a \$10 billion Accelerated Share Repurchase ("ASR") program. This brings the total capital we have returned to our shareowners since the Merger to \$28.4 billion, an amount that exceeds our original \$20 billion goal, two years ahead of schedule, and keeps us on track to meet our enhanced 2025 commitment of \$36 to \$37 billion.

With growing and resilient end markets and our transformative technologies, we believe we are well positioned to serve our customers' evolving needs, to generate value for our shareowners and to deliver on our vision of creating a safer, more connected world.

(1) Adjusted net sales, FCF and adjusted EPS are non-GAAP financial measures. See Appendix A on page 120-121 for more information.

COMPENSATION DISCUSSION AND ANALYSIS | EXECUTIVE SUMMARY

2023 FINANCIAL HIGHLIGHTS

DILUTED EARNINGS PER SHARE (\$ per share)



CASH FLOW⁽¹⁾ (\$ in billions)



NET INCOME (\$ in billions)



SALES (\$ in billions)



1.28 book-to-bill ratio

\$78 billion defense backlog at year-end

7.3% increase in dividends per share

\$118 billion commercial aerospace backlog at year-end

87th consecutive year paying a dividend to our shareowners

\$16.1 billion returned to investors through dividends and share repurchases

2023 STRATEGIC HIGHLIGHTS

We believe we can solve our customers' most challenging problems, deliver long-term growth to our shareowners and lead our industry by delivering smarter defense systems, intelligent space technologies and sustainable, more connected flight. In 2023, we made noteworthy progress toward advancing our key strategic priorities in several focus areas.

Business Transformation

Realigned our four business units into three industry-leading segments to strengthen our market position and generate additional revenue and technology synergies.

Ensured our portfolio is strong and balanced by signing agreements to divest noncore businesses—Collins Aerospace's aviation and flight control business and Raytheon's Cybersecurity Intelligence & Services business.

Productivity Efficiencies

Enhanced operational performance through the maturity of our CORE operating system and our Industry 4.0 and digital transformation efforts, as demonstrated by the extension of our priority factories to a common analytics platform, the achievement of 100% network modernization and 50% cloud adoption.

Addressed supply chain challenges by deploying our specialists to work directly onsite at over 400 of our suppliers to diagnose and address problems.

Product Safety

Prioritized the safety of our products—our own robust systems and processes detected the Pratt & Whitney powder metal manufacturing matter (as detailed on page 30), and we developed a fleet management and recovery plan to address it.

Cost Management

- Reduced structural costs to combat inflationary headwinds by decreasing the digital applications we use by 30% and reducing our real estate footprint by 60% for U.S. data centers and 15% for global office space.
Captured \$299 million of cost synergies in 2023, bringing our total cost synergies to \$1.7 billion since the Merger, which exceeds our original and revised 2025 goal (\$1 and \$1.5 billion), and puts us on track to achieve our newly announced 2025 goal of \$2 billion.

Innovation

- Used artificial intelligence and machine learning to accelerate our discovery of novel materials, facilitate the design of hardware and enable us to explore new system architectures.
Boosted our innovative capabilities by investing \$9.7 billion in capital expenditures and Company- and customer-funded research and development in 2023.
Funded investments and partnerships (through RTX Ventures) in seven emerging companies with the bold ideas, new concepts and disruptive technologies to transform the aerospace and defense industry.

How We Align Pay and Performance

Our executive compensation program is structured to advance our fundamental objective: aligning our executives' compensation with the long-term interests of our shareowners.

The Committee's primary goal is to reward and recognize strong financial and operating performance, effective strategic leadership and advancements in our corporate responsibility initiatives, all of which the Committee believes drive long-term, sustainable shareowner value. This pay-for-performance philosophy is embedded into a set of Guiding Principles that underpin how the Committee approaches the design of our executive compensation program.

OUR GUIDING PRINCIPLES

Competitive

Total compensation should be sufficiently competitive to attract, retain and motivate a leadership team capable of maximizing RTX's performance. Each element should be benchmarked relative to peers.

Balance

Annual and long-term incentive opportunities should reward the appropriate balance of short-, medium- and long-term financial, strategic and operational business results.

Responsibility

A complete commitment to ethical and corporate responsibility is fundamental to our compensation program. Compensation should take into account each executive's responsibility to act at all times in accordance with our Code of Conduct, our environmental, health, safety and other corporate social responsibility objectives, and our compliance initiatives. Financial, strategic and operational performance must not compromise these values.

Long-Term Focus

For our most senior executives, long-term, stock-based compensation opportunities should significantly outweigh short-term, cash-based opportunities. Annual objectives should complement sustainable, long-term performance.

Pay-for-Performance

A substantial portion of compensation should be variable, contingent and directly linked to Company, business unit and individual performance. The portion of total compensation contingent on performance should increase with an executive's level of responsibility.

Shareowner Alignment

The financial interests of executives should be aligned with the long-term interests of our shareowners through stock-based compensation and performance metrics that correlate with long-term shareowner value.

Fair and Equitable

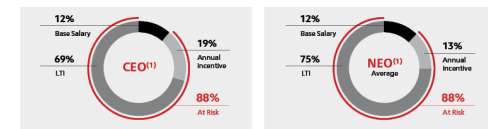
Compensation programs should be designed to deliver fair and equitable pay to executives of comparable experience and performance who perform similar work, regardless of race or gender.

COMPENSATION DISCUSSION AND ANALYSIS | EXECUTIVE SUMMARY

OVERVIEW OF 2023 PAY DECISIONS

2023 Pay Mix

Consistent with our Guiding Principles, the largest portion of compensation for our NEOs in 2023 was "at-risk" compensation—annual and long-term incentive awards that are contingent on Company performance relative to our key metrics and stock price performance. See pages 5, 50 and 54 for details on the metrics we use in our compensation program and why they were chosen.



(1) Percentages calculated based on 2023 total direct compensation, as shown in the table below. NEO average represents the average of all NEOs other than the CEO.

2023 Total Direct Compensation

In making annual pay decisions, the Committee focuses primarily on "total direct compensation," which includes our three principal elements of executive compensation: base salary, annual incentives and long-term incentives. These elements are discussed in detail on pages 49-55.

Total direct compensation is set each year to reflect the Committee's assessment of Company, business unit and individual performance for the year. 2023 total direct compensation includes 2023 base salary, 2023 annual incentives paid in the first quarter of 2024 and the LTI grants awarded by the Committee in February 2024, which were based on its assessment of 2023 performance and the competitive market pay for each NEO's role. This differs from the February 2023 LTI award grant date fair values (accounting value at the time of grant) shown in the Summary Compensation Table on page 48, which were based on the Committee's assessment of 2022 performance and the competitive market pay for each NEO's role at that time. For more details on total direct compensation, see page 57.

As previously discussed on pages 5-6, in making 2023 total direct compensation decisions, the Committee took into consideration the impact of the Pratt & Whitney powder metal manufacturing matter (see page 1) on our shareowners and customers and reduced the RTX performance factor from 100% to 98%, and further adjusted the performance factors used for Mr. Hayes and Mr. Calio's annual incentive awards to 83% and 93% of target, respectively. The Committee believes these actions reflect the pay-for-performance objectives of our executive compensation program.

The following chart shows the 2023 total direct compensation of our NEOs:

Table with 5 columns: Name, Base Salary (\$0⁰⁰), Annual Incentive (\$K), LTI (\$0⁰⁰), Total Direct Compensation (\$K). Rows include Gregory J. Hayes, Neil G. Mitchell, Jr., Christopher T. Calio, Stephen A. Timm, Wesley D. Kremer.

(1) The base salary values shown in the table above are the base salary in effect for each NEO as of December 31, 2023, and differ from those in the Summary Compensation Table on page 48, which reflect salary adjustments that may result during the year.

(2) Reflects values approved by the Committee for the LTI award granted on February 8, 2024. These values differ from the values that will be reported in the Summary Compensation Table in 2025, which will be calculated in accordance with 1625-AC-506's Compensation—Stock Compensation.

(3) On January 4, 2024, we announced that effective January 7, 2024, Mr. Kremer would step down from his role as President of Raytheon and would continue in a nonofficial capacity as Special Advisor to the President & Chief Operating Officer until his retirement in March 2024. As a result, Mr. Kremer was not granted an LTI award in February 8, 2024.



Key Examples

Leidos 2024 Proxy Statement



Performance highlights, compensation philosophy and policies, a detailed compensation elements table, a pay mix graphic for each NEO, and an overview of changes to the compensation program

EXECUTIVE SUMMARY

BUSINESS PERFORMANCE HIGHLIGHTS FOR 2023 RELATED TO PAY

Our business performance in 2023 was strong. We exceeded fiscal 2023 with reported revenue of \$14.4 billion, an increase of 7% compared to the prior fiscal year. Our performance builds on Leidos' success as a leading provider of innovative solutions, with the goal of addressing the world's most pressing challenges in national security and health. Our diversified resilient portfolio and our investments in technology and innovation are positioning us for growth in key customer missions, including digital modernization, cyber operations, mission software systems, integrated systems and mission operations. In fiscal 2023, we delivered on our financial commitments to investors, allocated capital to deliver value for our stockholders, while ensuring that position for future growth, and grew our talent base.

The data set below includes the performance metrics that form a significant part of our 2023 compensation targets. We achieved 105.4% of our book-to-bill compensation target, demonstrating a strong headwind for growth. Adjusted operating income reached 107.8% of compensation target. We also achieved 144.4% of our operating cash flow compensation target, reflecting strong performance across the enterprise. We provide additional information regarding these compensation metrics, including a definition of each metric and adjustments made for our compensation programs from the reported metrics, in "Annual Cash Incentive Awards for Fiscal 2023" on page 41-49.

Getting a strong foundation for growth, we achieved **1.07x** 3-YEAR COMPARISON OF CUMULATIVE TOTAL RETURN

ADJUSTED OPERATING INCOME **\$1.55 billion**

BOOK-TO-BILL **105.4%**

OPERATING CASH FLOW **\$1.17 billion**

REVENUE **\$14.4B** or **7% increase compared to FY22**

Reflecting strong performance across all our operational segments, we achieved:

- 105.4% of our book-to-bill compensation target
- 107.8% of our adjusted operating income target
- 144.4% of our operating cash flow target

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PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

THE COMPENSATION PHILOSOPHY

Our executive pay should be highly variable, equity-based, and tied to short-term performance goals, and tied to our long-term strategy.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our compensation program is designed to attract, motivate and retain the best talent in the industry. It is based on the following principles:

- Performance-Based:** Compensation is primarily based on performance against annual and long-term goals.
- Market-Competitive:** Compensation is competitive with the market for similar roles and responsibilities.
- Equity-Based:** A significant portion of compensation is in the form of equity, aligning interests with long-term shareholder value.
- Transparent:** Compensation programs are clearly defined and consistently applied.
- Accountable:** Compensation is held accountable to shareholders and the broader community.

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PAY AT A GLANCE

The following table summarizes the elements of our executive compensation program for 2023:

Pay Element	CEO	Other NEOs	Description and Purpose	Time Period	Metric
Fixed Cash Compensation	~\$1.5M	~\$0.5M	Includes base salary and bonus. Base salary is set annually based on market data and individual performance. Bonus is based on short-term performance.	Current year	Targeted to approximately 100% of prior year, generally adjusted to reflect applicable market data.
Variable Cash Compensation	~\$1.5M	~\$0.5M	Includes short-term incentive (STI) and long-term incentive (LTI). STI is based on annual performance. LTI is based on long-term performance.	1 year performance period	Financial (STI) Adjusted Operating Income (STI) Operating Cash Flow (STI) Book-to-Bill (STI)
Equity-Based Compensation	~\$1.5M	~\$0.5M	Includes restricted stock units (RSUs) and performance shares (PSUs). RSUs are granted annually based on performance. PSUs are granted based on long-term performance.	3 year performance period	Financial (PSU) Adjusted Operating Income (PSU) Operating Cash Flow (PSU) Book-to-Bill (PSU)
Other Compensation	~\$0.5M	~\$0.2M	Includes director fees, severance, and other benefits.	As applicable	As applicable

154 2024 PROXY STATEMENT

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

ADVISORY VOTE ON EXECUTIVE COMPENSATION

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- Transparent:** Compensation programs are clearly defined and consistently applied.
- Accountable:** Compensation is held accountable to shareholders and the broader community.

PENSIION CHANGES AT A GLANCE

Our pension plan is designed to provide a secure retirement for our employees. We have implemented changes to the plan to ensure it remains competitive and sustainable.

155 2024 PROXY STATEMENT

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

ADVISORY VOTE ON EXECUTIVE COMPENSATION

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- Equity-Based:** A significant portion of compensation is in the form of equity, aligning interests with long-term shareholder value.
- Transparent:** Compensation programs are clearly defined and consistently applied.
- Accountable:** Compensation is held accountable to shareholders and the broader community.

CHANGES TO LONG-TERM INCENTIVE PLAN

2023 Program	Weight	Metric	2024 Program	Weight
Adjusted Operating Income	30%	Adjusted Operating Income	Adjusted Operating Income	30%
Operating Cash Flow	30%	Operating Cash Flow	Operating Cash Flow	30%
Book-to-Bill	30%	Book-to-Bill	Book-to-Bill	30%

156 2024 PROXY STATEMENT

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our compensation program is designed to attract, motivate and retain the best talent in the industry. It is based on the following principles:

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- Equity-Based:** A significant portion of compensation is in the form of equity, aligning interests with long-term shareholder value.
- Transparent:** Compensation programs are clearly defined and consistently applied.
- Accountable:** Compensation is held accountable to shareholders and the broader community.

DETERMINE TOTAL DIRECT COMPENSATION

The total direct compensation (TDC) for each executive is determined by adding the fixed cash compensation, variable cash compensation, and equity-based compensation.

157 2024 PROXY STATEMENT



Key Examples

Mastercard 2024 Proxy Statement



Straight-forward discussion that covers strategy, compensation philosophy, and financial highlights, and includes a graphic showing how each performance metric aligns with company

Executive Compensation

Compensation discussion and analysis

The Compensation Discussion and Analysis (CD&A) describes Mastercard's executive compensation program for 2023, as well as certain elements of the 2024 program for our NEOs, which can be found in the Summary Compensation Table on page 47.

Name	Role
Michael Wilson	President and Chief Executive Officer
Stephen Manno	Chief Financial Officer
Chris Volungo	Chief Product Officer
Tony Harty	Chief Administrative Officer
Edward McLaughlin	President, Mastercard Technology & CTO
Michael Flannery	General Vice Chair and President, Strategic Growth

Executive summary

Our strategy centers on growing our payments network, diversifying our customers and geographies, and building new capabilities through a combination of organic and inorganic strategic initiatives. We are executing on this strategy through three key priorities:

- Expand in payments for consumers, businesses and governments
- Expand our services to enhance transactions and drive customer value
- Embrace new revenue opportunities to enable open banking, digital identity and other adjacent network capabilities

These priorities are supported by six key drivers: People, Brand, Data, Technology, Financial, and Digital web to drive growth. For more information on our strategy, please see the section titled "Strategy" on page 19.

Executive Compensation

2023 financial and operational highlights

The following are our key financial and operational highlights for 2023, including growth rates over the prior year:

GAAP	Adjusted	Non-GAAP
Revenue: \$11.2B (up 13%)	Revenue: \$11.0B (up 12%)	Revenue: \$11.8B (up 16%)
Adjusted EPS: \$11.05 (up 15%)	Adjusted EPS: \$12.26 (up 15%)	Adjusted EPS: \$12.26 (up 15%)
Operating income: \$1.4B (up 26%)	Operating income: \$1.4B (up 26%)	Operating income: \$1.4B (up 26%)

Pay philosophy

Our compensation program is designed to support our strategic objectives and to attract, motivate and retain our executives, who are critical to our success. Our executive compensation program is based on and designed to address three core priorities:

- Pay for performance:** The majority of our NEO and other NEOs is variable and directly linked to financial, ESG, strategic and/or other objectives designed to drive long-term shareholder value and drive our objectives to grow, diversify and build our business.
- Pay competitively:** Each year, the HRCC assesses the competitiveness of total compensation levels for executive roles to attract, motivate and retain top executive talent. Total compensation is generally established within a range around the median of market-competitive roles.

Executive Compensation

2023 financial and operational highlights

The following are our key financial and operational highlights for 2023, including growth rates over the prior year:

Year	Revenue	Operating Income	Adjusted EPS
2023	\$11.2B	\$1.4B	\$11.05
2022	\$9.9B	\$1.1B	\$9.58
2021	\$9.0B	\$1.0B	\$9.58

Capital returned to stockholders in 2023

Year	Repurchase	Dividends	Total
2023	\$11.2B	\$9.0B	\$2.2B
2022	\$11.2B	\$9.0B	\$2.2B
2021	\$11.2B	\$9.0B	\$2.2B

Stock price growth since IPO (2006)

ESG performance

Metric	2023 Score
Carbon footprint	11.5%
Water usage	14.3%
Waste management	14.3%

Executive Compensation

2023 financial and operational highlights

The following are our key financial and operational highlights for 2023, including growth rates over the prior year:

Year	Revenue	Operating Income	Adjusted EPS
2023	\$11.2B	\$1.4B	\$11.05
2022	\$9.9B	\$1.1B	\$9.58
2021	\$9.0B	\$1.0B	\$9.58

ESG performance

Metric	2023 Score
Carbon footprint	11.5%
Water usage	14.3%
Waste management	14.3%

ESG performance table

ESG Factor	2023 Score	2022 Score	2021 Score
Carbon footprint	11.5%	11.5%	11.5%
Water usage	14.3%	14.3%	14.3%
Waste management	14.3%	14.3%	14.3%

Executive Compensation

2023 financial and operational highlights

The following are our key financial and operational highlights for 2023, including growth rates over the prior year:

Year	Revenue	Operating Income	Adjusted EPS
2023	\$11.2B	\$1.4B	\$11.05
2022	\$9.9B	\$1.1B	\$9.58
2021	\$9.0B	\$1.0B	\$9.58

ESG performance

Metric	2023 Score
Carbon footprint	11.5%
Water usage	14.3%
Waste management	14.3%

ESG performance table

ESG Factor	2023 Score	2022 Score	2021 Score
Carbon footprint	11.5%	11.5%	11.5%
Water usage	14.3%	14.3%	14.3%
Waste management	14.3%	14.3%	14.3%

What we don't do

- Permit hedging or pledging of Mastercard stock
- Provide any stock for gross-ups for executive officers
- Repurchase stock options
- Pay dividend equivalents on unvested equity awards
- Grant discounted or reload stock options
- Spring load equity grants



SOP Results, Outreach, and Responsiveness

At a minimum, companies are required to disclose how the company has considered the most recent shareholder vote for say-on-pay (SOP) in determining compensation policies and decisions. Proxy advisory firms impose additional obligations on companies when their SOP vote receives a significant amount of opposition. Regardless of whether a company has a low or high SOP vote, investors want to know that the compensation committee continues to be engaged on executive compensation.

What to Think About

If say-on-pay receives a significant amount of opposition (at least 30% for ISS and 20% for Glass Lewis), proxy advisory firms and investors expect a company to initiate meaningful engagement and provide a thoughtful response. It is not enough for companies to include a simple statement that shareholder outreach occurred.

Content: Advisory firms and investors will closely examine whether the board was appropriately responsive. They want to understand:

- breadth (including both the number or percentage of investors engaged and participation by the board and management in the engagement,

- frequency and timing of engagements,
- feedback received,
- and the actions taken in response.

Location: Companies include their compensation engagement disclosures in a variety of locations. For companies with low SOP votes, it is important that the disclosure is easy to locate:

- We recommend that companies include a standalone engagement section in the CD&A, apart from their normal engagement disclosure in the corporate governance.
- Many companies also disclose highlights related to their compensation engagements in their letters from the compensation committee (at the start of CD&A) or board leadership (at the start of the proxy).

Tables and other graphics: Use of graphic elements is critical to easily show the breadth of engagement and response to feedback. Examples of compensation-specific graphics include:

- Infographic of key engagement statistics (i.e., who/what/when)
- Tabular disclosure of “what we heard” and “how we responded” to directly tie compensation decisions to shareholder feedback.
- Shareholder engagement cycle vis-a-vis annual meeting
- A timeline to demonstrate the evolution of the compensation program to better align with shareholder interests.
- Multi-year SOP results to show where a low SOP vote has been adequately addressed

A Note for Companies with High SOP Votes

Use a graphic element to highlight a high vote and, if applicable, include an affirmative statement that no changes were made to the executive compensation program, particularly where SOP rebounded after a low vote. Consider also including disclosures about suggestions received from shareholders and the compensation committee's response to demonstrate engagement.



Labrador Transparency Award Criteria



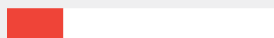
- The proxy summary or CD&A summary includes prior year say-on-pay results.
- If say-on-pay proposal from prior year received less than 80% support, an overview of shareholder outreach and a summary of feedback and committee response is included in the CD&A summary.

Benchmarking

SOP Results/Outreach

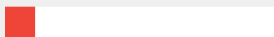
22.0%

SOP results are presented in graphic form



12.0%

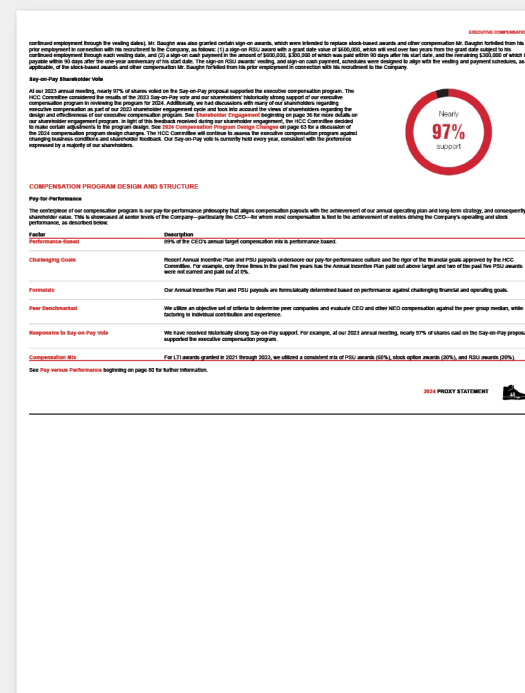
SOP results are presented over time, not just prior year



Key Examples

Foot Locker 2024 Proxy Statement

Highlights high SOP vote and includes a cross-reference to i) shareholder engagement section and ii) 2024 compensation changes based on shareholder feedback





Key Examples

Becton Dickinson 2024 Proxy Statement



Narrative description of high SOP vote, with a separate discussion of shareholder engagement and successful outcome following the approval of a pay-related shareholder proposal; also includes response to frequency of SOP vote

Compensation discussion and analysis

Considerations regarding CEO pay

The Compensation Committee's decisions regarding Mr. Polen's 2023 pay were reflective of the following:

- The Compensation Committee's intent to tie a significant amount of Mr. Polen's pay to performance, with a clear link to our performance-driven metrics.
- The Compensation Committee's decision to continue to position Mr. Polen's pay within a competitive range of the median of CEOs in BD's peer group.
- Mr. Polen's accomplishments during the year, including:
 - The continued successful execution of the BD 2023 strategy and his leadership in delivering strong financial performance that exceeded our expectations for the year despite a challenging macroeconomic environment.
 - The progress made to enhance BD's long-term growth profile, including the successful clearance of BD Axiom® Diffusion System.
 - The progress made during the year towards BD's 2030+ ESG goals.

2023 executive compensation decisions

Below is a summary of compensation actions taken in 2023 with respect to our NEOs.

Salary, Bonus, Poles, Dill/Coffee and Hickey each received salary increases of 3% during the year, consistent with salary increases made generally at BD. As Mr. Hibel resigned in April 2023, she received a 1.3% salary adjustment in 2023. Mr. Garrison received no salary increase in 2023 as his salary was adjusted when he was appointed head of our Medical Segment in September 2022.

Annual incentive compensation. BD's strong performance for the year resulted in a performance factor of 107% of target under the FIP formula, driven by strong revenue, earnings and operating margin performance that exceeded the targets set for the year, which was partially moderated by a shortfall in our total free metrics. Based on management's recommendation, the Compensation Committee used negative discretion to reduce the performance factor to 95%. For a discussion of the Compensation Committee's use of negative discretion, see "FIP Awards" beginning on page 60. Mr. Hibel received a FIP award consistent with the reduced FIP performance factor. Messrs. Dill/Coffee and Garrison each received a FIP award at 104.2% of target. (111% of the reduced FIP performance factor) to recognize their significant contributions during the year. For a full discussion of the 2023 FIP awards made to the named executive officers, see "FIP Awards" beginning on page 60.

Equity compensation.

Fiscal 2023 awards. Consistent with our goal of aligning incentive compensation to the interests of our shareholders, equity compensation represented a significant component of total compensation in 2023. The Compensation Committee determined the equity compensation grant values for each named executive officer after taking into account market data, recommendations from the Compensation Committee's independent consultants, and individual performance and potential. The increase in Messrs. Dill/Coffee's and Hickey's award over the prior year was made to better position both executives' pay within a competitive range of BD's peer group for their respective positions.

Granting of Performance Unit awards. During 2023, Performance Units covering the fiscal 2022-2022 performance period vested. The performance metrics for these awards were average annual return on invested capital ("ROIC") and average annual revenue growth, with a performance payout modifier based on BD's relative total shareholder return ("TSR"). The awards paid out at 70% of target.

2023 say-on-pay results and frequency of say-on-pay voting results

At our 2023 Annual Meeting, approximately 93% of the shares voted were cast in support of BD's advisory vote on named executive officer compensation (known as "say-on-pay") held in fiscal 2022. The Compensation Committee views the vote as broad general shareholder support for our executive compensation program. Based on our say-on-pay vote and the Compensation Committee's ongoing benchmarking of our compensation policies and practices, the Compensation Committee believes that our compensation program effectively aligns the interests of our named executive officers with those of our shareholders and the long-term goals of BD.

2024 Notice of Annual Meeting and Proxy Statement 51

Compensation discussion and analysis

At our 2023 Annual Meeting, approximately 93% of the shares voted were cast in support of an annual say-on-pay advisory vote. Based on the results of the vote, BD will continue to hold advisory votes on named executive officer compensation on an annual basis.

2023 shareholder engagement

We routinely engage with shareholders on a number of topics, including our executive compensation program, as discussed on page 39, and consider their feedback in our executive compensation program. Based on the feedback during our 2023 engagement, the Compensation Committee did not make any changes to our program following our 2023 say-on-pay vote.

We also spoke to shareholders regarding the shareholder proposal that received majority support at our 2023 Annual Meeting, including a number of shareholders that voted in favor of the proposal. The proposal requested that BD seek shareholder approval of any "senior manager's new or renewed pay package" that provides for advance or termination payments exceeding 2.5x times the sum of the individual's base salary plus target bonus. In response to the proposal, we sought shareholder feedback on BD's adoption of the Executive Officer Cash Severance Policy, the award granted to BD from entering into any agreements, such as policy that provides for the payment of cash termination benefits to executive officer leadership 2.5x times the sum of the officer's base salary plus target bonus, without seeking stockholder approval or ratification. We received positive feedback to this proposal from the shareholders to whom we spoke during our 2023 engagement. Shareholders expressed their belief that this was a reasonable approach for BD to take in response to the proposal, and no investor we engaged with requested the inclusion of accelerated equity vesting in the calculation of the termination pay limit. Based on this shareholder feedback, the Board subsequently adopted the new Executive Officer Cash Severance Policy in November 2023 which is available on our website at investor.bd.com/corporate-governance/governance-documents. See page 64 for a further discussion of the Executive Officer Cash Severance Policy.

Design and structure of 2023 executive compensation

The composition of our named executive officers' is weighted towards performance-based compensation, where the amount received by an executive varies based on company and individual performance. As shown in the charts below, approximately 76% of Mr. Polen's and 68% of the other named executive officers' 2023 total target compensation (excluding sign-on payments) was performance-based pay.

2023 total target compensation⁽¹⁾

⁽¹⁾ Actual awards include (and the structure of their compensation) certain non-performance-based compensation such as one-time target amounts based on performance and BD's stock price. Percentages in above table are rounded.

For purposes of the above charts, "performance-based" compensation includes FIP awards, Performance Units, and SARs, while compensation that is not performance-based includes salary and TNUs. We consider SARs performance-based compensation because they require stock price appreciation to deliver value to an executive.

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American Express 2024 Proxy Statement

2-page, detailed engagement & response following 54% SOP

2024 PROXY STATEMENT 53

2023 Shareholder Engagement and Responsiveness to 2023 Say-on-Pay Vote

SHAREHOLDER OUTREACH AND ENGAGEMENT

Following our 2023 Annual Meeting, we reached out to shareholders representing approximately 59% of our outstanding shares along with other stakeholders.

Twenty-six of our shareholders, representing approximately 40% of our outstanding shares, and other stakeholders responded to our meeting request.

We also made our Independent Directors available, including our Lead Independent Director, to participate in meetings with our shareholders. Additionally, in 2023, our Investor Relations team and members of Management met with 250 investment firms, analysts and other investors, which included shareholders representing approximately 57% of our outstanding shares.

RESPONSIVENESS TO OUR 2023 SAY-ON-PAY VOTE

At American Express, we value the feedback we receive from our shareholders. Our directors and Management recognize the benefits that come from robust dialogue with shareholders and other relevant parties and we have embraced an active year-round engagement strategy for many years.

OUR FOCUS DURING THE 2023 SHAREHOLDER ENGAGEMENT SEASON WAS ON OBTAINING FEEDBACK ON OUR EXECUTIVE COMPENSATION PROGRAM

Our Board was disappointed with the results of our 2023 Say-on-Pay vote (54% of votes cast in favor). In response, Management sought feedback through engagement meetings with our shareholders and reported the detailed feedback received to the Board. In general, the feedback we received from shareholders and other stakeholders on the design of our executive compensation program was supportive, consistent with the previously high level of support for our Say-on-Pay vote (approximately 96% and 95% of votes cast in favor at the 2022 and 2021 Annual Meetings of Shareholders, respectively). The majority of the feedback we received regarding the vote trends was focused on the special award or grant to Mr. Saper in 2022, in which several shareholders expressed concerns with the quantum and performance conditions. In addition, shareholders requested to better understand how our Annual Incentive Award (AIA) payouts are determined. In response, we have taken steps to respond to these concerns, as described in this section, with changes and enhancements to our disclosures. We will continue to engage with our shareholders to solicit and consider feedback.

We have detailed the key feedback we received from shareholders and other key stakeholders, along with the Company's response on the following page.

Proxy Summary Corporate Governance at American Express Environmental, Social and Governance (ESG) Audit Committee Matters Executive Compensation and Compensation Discussion & Analysis Shareholder Proposals Stock Ownership Information Other Information

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	What We Heard	Our Response
2022 Special Award	The use of special awards is disfavored, particularly for the CEO	<ul style="list-style-type: none"> ✓ We have committed that Mr. Saper will not receive any future special awards ✓ No special awards are currently being considered for our other NEOs and none were made in 2023. After considering shareholder feedback on special awards, going forward, we expect they would only be used in extraordinary circumstances, if at all
CEO Pay	The award lacked sufficiently rigorous performance conditions or rationale that would have mitigated concerns, and the measurement period for Total Shareholder Return should have been for a longer period of time	<ul style="list-style-type: none"> ✓ The 2022 Special Award contained performance and vesting conditions that are more rigorous than our annual equity awards, and option exercise restrictions that emphasized sustained long-term performance. If a special award is considered for any NEO in the future, it will include performance conditions that are more rigorous, and will include a longer measurement period to reward sustained performance
CEO Pay	The pace of CEO pay increases in recent years has been elevated without sufficient rationale	<ul style="list-style-type: none"> ✓ No changes to CEO target pay for 2024 ✓ CEO pay is set based on a deliberate process by the Board's Compensation and Benefits Committee which includes a review of the competitive market, as well as absolute and relative financial and strategic performance. See pages 63-62 for more details ✓ The CEO's 2023 pay adjustment aligned his target with the Company's revenue growth, EPS growth, and ROE in the top quartile relative to our compensation peers
Short-Term Incentive Program	Disclosure of how AIA goals are set and how performance is measured is limited, and it is difficult to assess how outcomes were achieved	<ul style="list-style-type: none"> ✓ We have enhanced our AIA disclosure, including additional detail on goal setting and performance determination on pages 59 and 63-65
Short-Term Incentive Program	Financial objectives/quantitative goals are weighted at less than 50% of the AIA scorecard	<ul style="list-style-type: none"> ✓ Beginning in 2024, financial objectives (Shareholder Return) will have an increased weighting from 40% to 60% of the AIA scorecard
Short-Term Incentive Program	All four quadrants of the AIA scorecard have and will continue to be assessed against pre-established objective performance measures. See page 58 for more details	<ul style="list-style-type: none"> ✓ All four quadrants of the AIA scorecard have and will continue to be assessed against pre-established objective performance measures. See page 58 for more details
Short-Term Incentive Program	Individual performance disclosures particularly on the individual multiplier require additional explanation	<ul style="list-style-type: none"> ✓ We have disclosed individual performance highlights that drove individual multiplier determinations on pages 66-68 ✓ Individual multipliers are determined based on a thorough review of each NEO's quantitative and qualitative impact on our business

Proxy Summary Corporate Governance at American Express Environmental, Social and Governance (ESG) Audit Committee Matters Executive Compensation and Compensation Discussion & Analysis Shareholder Proposals Stock Ownership Information Other Information



Key Examples

Tanger Inc. 2024 Proxy Statement

Eye-catching graphic that shows prior 3-years high SOP votes

Bank of America 2024 Proxy Statement

2-page, detailed engagement & response to lead CD&A Executive Summary following 69% SOP (first time ISS and GL recommended against SOP)

Executive Compensation

1 Executive Summary

We are one of the leading owners and operators of outlet and open-air centers in the United States and Canada. We are a fully-integrated, self-administered and self-managed REIT, which focuses on developing, acquiring, owning, operating and managing outlet and open-air shopping centers. We have a primary objective to maximize TSR through growth in FFO and asset value appreciation. Our Company was built on a firm foundation of strong and enduring business relationships coupled with disciplined business practices. We partner with many of the world's best known and most respected brands and retailers. By fostering and maintaining strong relationships with these successful, high volume companies, we believe we have been able to solidify our position as a leader in the outlet and open-air retail industry for over thirty years. The confidence and trust that we have developed with our retail partners from the very beginning has allowed us to forge the impressive retail alliances that we enjoy today with our brands and retailers. Our seasoned team of professionals with diverse sets of expertise utilize the knowledge and experience that we have gained to give us a competitive advantage in the outlet and open-air retail business.

The Compensation and Human Capital Committee strongly believes that our executive compensation program represents a thoughtful, balanced program with a pay-for-performance structure that focuses on Company performance and reflects the feedback of our shareholders. Our executive compensation program is designed to motivate, attract and retain highly-qualified executives with this unique and proven skill set and to align the CEO and other NEOs' interests with those of our shareholders. In years that our shareholder value has increased, aggregate compensation for our CEO and other NEOs has generally increased. Conversely, in years that our Common Shares have underperformed, aggregate compensation for our CEO and other NEOs has generally declined. We believe that such alignment is strongly evidenced by the 2023 compensation and the current outstanding equity awards held by our NEOs.

Shareholder Engagement and Listening to Our Shareholders

We have historically taken into consideration the results of our advisory votes on the Company's executive compensation program and NEO compensation decisions, and since 2014, we have proactively engaged in ongoing shareholder outreach in order to hear feedback about our executive compensation program directly from shareholders. We annually conduct outreach efforts, now led by Ms. Bridget M. Ryan-Berman, our Lead Independent Director, to understand and address any potential shareholder concerns.

In addition to our Shareholder Engagement from our Board, management maintains active dialogue with the financial community and during 2023, we elevated our efforts to engage with the investment community and other key stakeholders through frequent discussions, meetings and property tours.

Our shareholders approved the 2023 advisory executive compensation pay on pay vote at a rate of 96.3% of votes cast. We believe that the overwhelming support of our shareholders, as shown in the chart below, indicates that our shareholders are generally supportive of our approach to executive compensation.

Say on Pay Results

2023	96.3%
3-Year Average	95.6%
2022	96.2%
2021	94.3%

Tanger Inc. | 2024 Proxy Statement | 37

Compensation discussion and analysis

1. Executive summary

a. Shareholder engagement & "Say on Pay" results

We have a long history of strong shareholder support for our Board's pay-for-performance philosophy, as accomplished through our executive compensation design and decisions. From 2011 to 2022, support for our "Say on Pay" proposal averaged 94.2%, with the lowest level of support being 92.9% in 2011 and 2012. In recognition of this continued support as well as input from engagement with institutional shareholders, for 2022, our Board maintained a consistent executive compensation design and in applying its pay-for-performance philosophy, decreased the overall pay to Mr. Moynihan by approximately 5%. Compensation for that year's other named executive officers also decreased between approximately 2% and 7% based on 2022 performance.

Leading up to our 2023 annual meeting, two U.S. proxy advisory firms recommended—for the first time ever—that their subscribers vote "against" our "Say on Pay" proposal. We believe these recommendations contributed significantly to the lower support received in 2023, as some of our institutional investors follow the voting recommendations of these firms and some others are influenced by their analyses and recommendations. In total, of the approximately 5.7 billion votes cast at the meeting, 69.1% favored our "Say on Pay" proposal.

In light of the result of our 2023 "Say on Pay" vote, which differed significantly from our prior history, and in order to ascertain the reasons for the decline, we intentionally refocused our 2023 and early 2024 shareholder engagements more directly on our executive compensation program and disclosures than in prior years.

Executive Compensation Engagements

We value the views and input of our shareholders. Input received from our shareholder engagement is critical to how we drive progress in our corporate governance practices, including our executive compensation program. Generally, we engage with our investors year-round through targeted, active outreach and responsiveness to investor inquiries.

We targeted our 2023 and early 2024 outreach efforts and actively solicited input from shareholders on our executive compensation program and disclosures. We specifically solicited input on our executive compensation program as part of our engagement agenda, working dialogue with those who supported and those who did not support our "Say on Pay" proposal last year. During 2023, into early 2024, we reached out to 84 institutional shareholders, representing approximately 79% of institutionally held shares,⁽¹⁾ and held a total of 72 meetings with 46 shareholders. We also solicited input from the two U.S. proxy advisory firms and held multiple meetings with each over this period.

Our Lead Independent Director, Mr. Nowell, and our Compensation and Human Capital Committee Chair, Mr. Lozano, played a central role in these discussions. Mr. Nowell and Mr. Lozano actively led 41 of our shareholder engagement meetings as well as two of the meetings with the U.S. proxy advisory firms.

Overall, investors expressed their understanding and support for our compensation program and structure and its alignment with the tenets of Responsible Growth. We focused on listening to shareholders to understand why they had voted "against" "Say on Pay" last year, and to confirm their expectations of an appropriate response to gain support.

We received specific input on two key areas that contributed to a lower "Say on Pay" vote result in 2023: 1) one-time awards and 2) transparency in the pay decision process. This input, along with a range of perspectives and suggestions received during our shareholder engagement, informed the Committee's decision to implement enhancements to our 2023 compensation program and disclosures. For details on "What we heard and how we responded," see page 55.

Outreach	Engagement	Representation	Independent Director-Led Engagements
84 institutional shareholders	72 meetings with institutional shareholders	~71% of institutionally held shares	~47% of institutionally held shares

(1) Based on stock ownership as of December 31, 2023.

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Compensation discussion and analysis

b. What we heard and how we responded

In response to input received from shareholders following our 2023 "Say on Pay" vote, below is a summary of what we heard and actions we have taken in response.

2023 SHAREHOLDER INPUT

Most shareholders we engaged with expressed support for our overall approach to executive compensation and the alignment with Responsible Growth. We did receive specific input on two key areas that contributed to a lower "Say on Pay" vote result in 2023: 1) one-time awards and 2) transparency in the pay decision process. The Committee implemented enhancements to address these areas, as summarized below.

What We Heard	How We Responded
<ul style="list-style-type: none"> Belief that our one-time awards should be infrequent, and when used, have a clear and transparent rationale disclosed. Preference that one-time awards are used, they have performance conditions for vesting. Interest in a better understanding of the Committee's philosophy for one-time awards to substantiate when they may be considered in the future. 	<ul style="list-style-type: none"> The Committee declared its philosophy on the use of one-time awards, including only to be used infrequently and in exceptional circumstances to achieve business objectives hoped could be achieved through annual performance year compensation. (See "Philosophy on one-time awards" on page 56) Performance conditions will be included for vesting in the event future one-time awards are deemed appropriate. (See "Philosophy on one-time awards" on page 56) Detailed rationale can be found for Mr. DuMar's Management Team stock award granted in February 2023. This award was determined as part of 2022 compensation decisions following significant changes made to the Management Team announced in late 2021 and prior to our receipt of 2023 "Say on Pay" results. (See "Management team stock award" on page 60)
<ul style="list-style-type: none"> Recognition that the Committee's use of business judgment is an important part of the pay determination process given the regulatory environment and complexity of a large bank; however, would the additional insight into how business judgment is used in the pay decision process. Interest in a better understanding of the key performance factors and metrics driving pay decisions. 	<ul style="list-style-type: none"> Enhanced disclosure of the relative performance results the Committee uses to evaluate company performance each year including net income, revenue, total shareholder return, diluted earnings per share growth, and market capitalization rankings against primary competitors. (See "Company performance" on page 63)

ADDITIONAL INPUT AND ENHANCEMENTS

The Committee discussed a range of perspectives and suggestions received during our shareholder engagement when considering additional enhancements which, though not determined to be primary drivers of lower 2023 "Say on Pay" results, reflect the Committee's commitment to incorporating shareholder input into our disclosures and program design. Additional enhancements are summarized below:

Peer Groups	<ul style="list-style-type: none"> The Committee conducted a peer group review in 2023 which resulted in updates to our leading financial institutions peer group to include U.S. regional banks and credit card rewards manager companies. These companies provide a broader range of competition in business segments that we operate in. Shareholders requested that a broader 2023 competitor group would be helpful for use in analyzing pay-for-performance alignment. (See "2023 Competitor group" on page 72)
Performance Year Compensation Table	<ul style="list-style-type: none"> The performance year compensation decision table now includes three years of performance year compensation determinations. Our shareholders expressed that this view would be helpful for pay-for-performance analysis considering the timing disclosed between the performance year decisions and disclosures in the Summary Compensation Table. (See "2023 Performance year cost compensation decisions" on page 65)
Pay Mix	<ul style="list-style-type: none"> To further drive long-term alignment with shareholders, the percentage of variable pay delivered in long-term equity-based awards has been increased from 60% to 70% for named executive officers other than the CEO. CEO variable pay mix is unchanged with 100% of pay delivered in the form of equity-based awards. (See "Executive pay components & variable pay mix" on page 67)
Clawbacks	<ul style="list-style-type: none"> Expanded clawback features by updating our Incentive Compensation Recoupment Policy to meet new SEC and NYSE requirements. Our equity-based awards to our executive officers are subject to three separate and distinct cancellation and clawback provisions. (See "Multiple cancellation & clawback features" on page 70)

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Compensation Setting Process

Per SEC requirements, a company is required to provide a narrative description of the company's processes and procedures to consider and determine executive compensation. This includes an explanation of several matters, including the i) scope of authority of the compensation committee, ii) extent to which the compensation committee may delegate authority, iii) role of executive officers or compensation consultants in determining or recommending the amount or form of compensation, and iv) peer groups and competitive market positioning.

When determining whether to support a company's executive compensation program, shareholders place considerable importance on the processes used by the compensation committee, and are much more likely to support a company's executive compensation, and compensation committee members, when the committee has a rigorous and thoughtful process that is clearly and comprehensively disclosed. Shareholders are also interested in how companies select their compensation peer groups and the extent to which peer groups are used to validate or adjust pay.

What to Think About

Committee's Role and Processes:

- Many companies include a fulsome discussion of the roles and responsibilities of the compensation committee, independent compensation consultant and management in establishing the compensation program. Companies also describe the various internal and external inputs to a thoughtful program, including individual and company performance, shareholder and compensation consultant input, internal pay equity, and external pay analyses.

- Like other company disclosures, we recommend using a visual presentation to demonstrate the year-round rigorous nature of the committee's review. It should show a multi-layered approach that involves several different internal and external inputs.

Peer Groups:

- As investors consider the appropriateness of a company's peer group, best practice is to disclose details about peer company attributes to show how the company compares to peers. Companies generally describe a process to annually assess the continued viability of a company's chosen peer group—for example, companies may describe an annual process to ensure that

their peers are similarly sized from a revenue and/or market capitalization perspective, are in a similar industry or have similar lines of business, reflect a company's evolving business model, and/or compete for the same executive talent. Usually, companies indicate that the independent compensation consultant provides input on whether the chosen peer group is appropriate.

- Companies should consider whether a bar graph, scatter plot, or other graphic showing how their company compares to the peer group with respect to the relevant factors used to determine the peer group is an effective way to illustrate the suitability of the group for compensation comparison purposes.

- When changes are made to the composition of the peer group, it is expected that the company plainly explain the rationale for the change in the proxy statement.

Labrador Transparency Award Criteria

- Peer group disclosures include criteria used to identify peer companies and a matrix, table, graphic or other visual element showing how the company compares to peers with respect to the criteria.

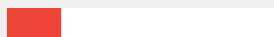


Benchmarking Compensation Setting Process

Compensation setting process discussion includes

21.0%

Timeline of the decision-making process



73.0%

An explanation of the annual goal-setting process



18.0%

Graphic or table that show roles of committee, consultant and management



81.0%

The independence/assessment of compensation consultant is located in the compensation process section



Compensation peer group disclosure includes:

92.0%

Criteria used to identify peer group (ex: revenue, market cap, no. of employees)



49.0%

Graphic to show comparison with peer companies



Key Examples

Wells Fargo 2024 Proxy Statement

Roles and Responsibilities infographic

Executive Compensation

Compensation Governance Oversight

The HRC believes that strong governance and oversight of our executive compensation program is essential to the Company's long-term success. To achieve this, the HRC is comprised of independent directors with human capital risk and human capital management experience and qualifications. They are informed by an independent compensation consultant, to make compensation decisions based on NEO performance and comparison of Labor Market Peer Group executive pay levels and pay practices, based on discussions throughout the year (in both regularly scheduled meetings and special meetings, as appropriate). Refer to the Human Resources Committee, within Board Committee Members and Oversight Responsibilities, for a list of key HRC oversight responsibilities and number of meetings each year.

Defining Roles for Effective Oversight of Compensation

Role of the HRC

- Oversees the Company's performance management and incentive compensation programs
- Oversees performance goals set for NEOs, and approves goals for the CEO, to ensure that they are aligned with the Company's strategic plan, risk appetite, and risk and control framework
- Evaluates Company results after the end of the performance year, considering financial and non-financial outcomes, consistency with the strategic plan and our risk appetite, prior-year performance, and execution of key initiatives and other qualitative factors
- Assesses pay levels, using Labor Market Peer Group data as a reference point, in connection with its annual review of NEO compensation
- Evaluates NEO performance against their individual goals, and approves all compensation for the Company's executive officers, including the NEOs

The diagram shows a central circle labeled 'Compensation Governance' with arrows pointing to 'Human Resources Committee (HRC)' and 'Executive Management'. 'Executive Management' has arrows pointing to 'Compensation Governance' and 'Human Resources Committee (HRC)'. 'Human Resources Committee (HRC)' has an arrow pointing to 'Compensation Governance'.

Role of the Independent Compensation Consultant

- Provides independent advice on executive compensation matters
- Advises on the design and disclosure of the compensation elements
- Reviews with the HRC the executive compensation program generally and as compared to those of the Labor Market Peer Group
- Advises the HRC on the reasonableness of the compensation levels compared to the Labor Market Peer Group and the appropriateness of the executive compensation program structure in supporting strategic priorities and in consideration of shareholder feedback

Role of Executive Management

- NEOs set goals tailored to their area of responsibility with a focus on supporting broader Company goals
- CEO evaluates other NEOs individual performance and makes recommendations regarding base salary and variable compensation to the HRC
- CEO assesses risk performance for NEOs, as input into evaluations by the CEO and the HRC
- Provide reporting to the HRC in support of their oversight responsibilities
- Escalate issues or concerns to the HRC, as needed

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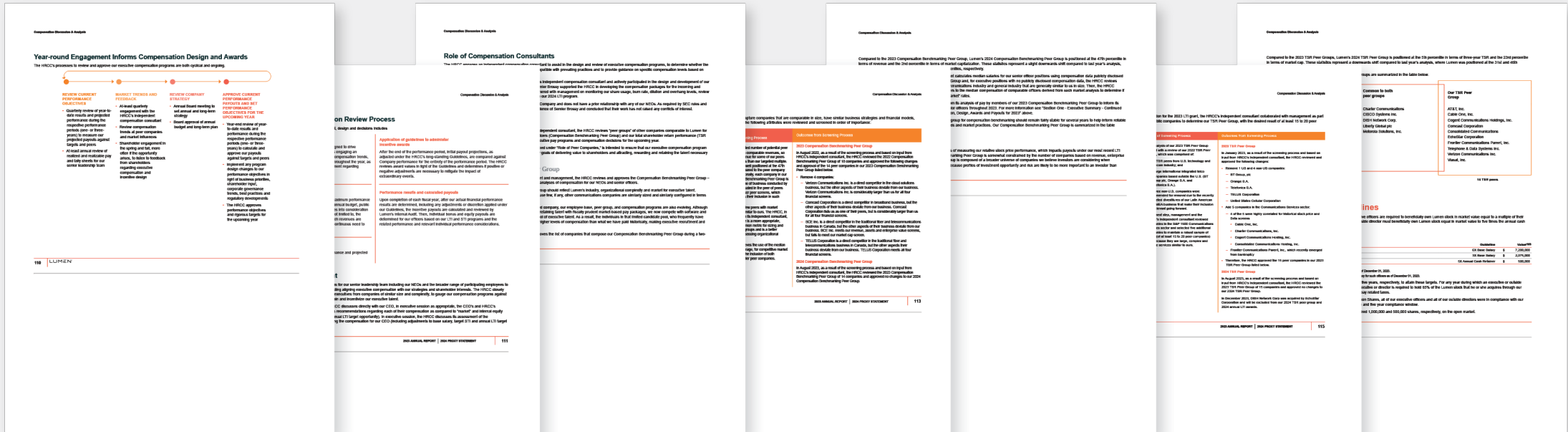
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Key Examples

Lumen 2024 Proxy Statement



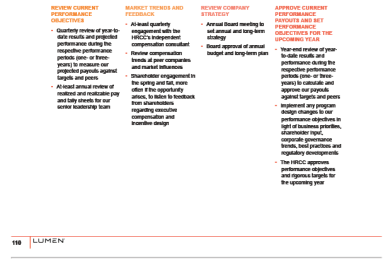
Shareholder engagement; peer group review



Compensation Design & Awards

Year-round Engagement Informs Compensation Design and Awards

The HRCC's process to review and approve our executive compensation programs, on both annual and ongoing...



For our senior leadership team including our CEO, we establish a process of participating employees to...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

Compensation Design & Awards

Role of Compensation Consultants

It is critical to the design and review of executive compensation programs, to determine whether the...

A independent compensation consultant and advisor participated in the design and development of our...

On Review Process

As part of the review process, we will compare our compensation programs to those of other companies...

After the end of the performance period for the annual program, our compensation program...

Performance results and calibration process

After completion of each fiscal year, our annual financial performance results are reviewed...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

Compensation Design & Awards

Compensation Setting Process

Completed by the 2023 Compensation Reviewing Peer Group, Lumen's 2024 Compensation Reviewing Peer Group...

As of the review process, we will compare our compensation programs to those of other companies...

On Review Process

As part of the review process, we will compare our compensation programs to those of other companies...

After the end of the performance period for the annual program, our compensation program...

Performance results and calibration process

After completion of each fiscal year, our annual financial performance results are reviewed...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

Compensation Design & Awards

Compensation Setting Process

Completed by the 2023 130K Peer Group, Lumen's 2024 130K Peer Group is published in the 20th percentile...

As of the review process, we will compare our compensation programs to those of other companies...

On Review Process

As part of the review process, we will compare our compensation programs to those of other companies...

After the end of the performance period for the annual program, our compensation program...

Performance results and calibration process

After completion of each fiscal year, our annual financial performance results are reviewed...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

Compensation Design & Awards

Compensation Setting Process

Completed by the 2023 130K Peer Group, Lumen's 2024 130K Peer Group is published in the 20th percentile...

As of the review process, we will compare our compensation programs to those of other companies...

On Review Process

As part of the review process, we will compare our compensation programs to those of other companies...

After the end of the performance period for the annual program, our compensation program...

Performance results and calibration process

After completion of each fiscal year, our annual financial performance results are reviewed...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

HRCC discusses directly with our CEO, in executive sessions as appropriate, the CEO's and HRCC's...

Table with 2 columns: Peer Group, and a list of companies including AT&T, Cisco, etc.

Table with 2 columns: Peer Group, and a list of companies including AT&T, Cisco, etc.



Key Examples

PepsiCo 2024 Proxy Statement Calendar and responsibilities

Aflac 2024 Proxy Statement Roles, peer group comparison, how goals are set

Executive Compensation

Our Decision-Making Process

Compensation Committee

The Compensation Committee oversees and evaluates PepsiCo's executive compensation programs against competitive practices, regulatory developments, and corporate governance trends.

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

February Meeting

- Certifies performance-based incentive payouts
- Recommends CEO compensation to independent members of the board without management input
- Approves performance goals and other objectives of the Chairman and CEO
- Approves executive officer compensation based on Company performance, market data, responsibilities, and other factors

March Meeting

- Sets specific performance targets for executive officer incentive awards
- Reviews compensation-related disclosures for Proxy Statement

September Meeting

- Reports to the board regarding director compensation and stock ownership guidelines
- Establishes peer group companies used to benchmark Company performance and executive officer compensation
- Reviews trends and best practices in executive compensation

November Meeting

- Reviews Committee Charter, Committee's assessment results and work plan for the following year
- Reviews and approves executive compensation policies, such as stock ownership and clawback provisions, as needed
- Reviews and approves the compensation level of other executive officers
- Reviews and approves the compensation level of other executive officers
- Reviews and approves the compensation level of other executive officers

Compensation Committee meetings may occur on a more frequent basis in the event of ad hoc matters for discussion or approval.

Independent Advisor

The Compensation Committee has engaged FW Cook as its independent external advisor, and considers analysis and advice from FW Cook when making compensation decisions.

- Provides recommendations on Chairman and CEO compensation directly to the Compensation Committee
- Regularly reviews the Company's executive compensation programs, in cooperation with management, and advises the Committee of changes that may be made to better reflect evolving best practices and improve effectiveness
- Regularly reviews the Company's compensation philosophy, peer group, and target competitive positioning for reasonableness and appropriateness
- All services performed by FW Cook have been limited to executive and director compensation consulting
- FW Cook is prohibited from undertaking any other work with PepsiCo management or employees and has direct access to Compensation Committee members without management involvement
- The Compensation Committee assessed FW Cook's independence under SEC regulations and Nasdaq listing standards, and concluded that there is no conflict of interest

PepsiCo Management

PepsiCo's management team is responsible for providing input to the Compensation Committee with respect to compensation decisions for PepsiCo's executive officers (other than the Chairman and CEO).

- Provides input regarding PepsiCo's business strategy and performance
- Regularly reviews shareholder feedback which is taken into consideration when evaluating and/or designing the Company's executive compensation programs
- The Chairman and CEO provides the Compensation Committee with a self-assessment based on achievement of the agreed-upon objectives and other leadership accomplishments
- The Chairman and CEO provides the Compensation Committee with performance evaluations and pay recommendations for other executive officers

PEPSICO 2024 Proxy Statement | 67

EXECUTIVE COMPENSATION 2024 PROXY STATEMENT 45

Process of Setting Executive Compensation

Roles and Responsibilities

Compensation Committee

- reviews the Company's executive compensation plans
- evaluates the performance of the CEO
- determines and approves the CEO's compensation level
- reviews annually the performance of the other executive officers of the Company
- reviews and approves the compensation level of other executive officers
- reviews and approves the compensation level of other executive officers
- provides assessments on the relationship between executive pay and performance;
- provides assessments on proposed performance goals and ranges for incentive plans;
- conducts training sessions for the Compensation Committee; and
- proposes the compensation for Non-employee Directors

with assistance from its Independent Compensation Consultant who

- provides comparative Company performance to assess proposed NEO compensation;
- provides competitiveness evaluations of the Company's executive compensation and benefits programs;
- reviews plan design issues and recommends improvements;
- reports on trends and developments in the marketplace;
- provides assessments on the relationship between executive pay and performance;
- provides assessments on proposed performance goals and ranges for incentive plans;
- conducts training sessions for the Compensation Committee; and
- proposes the compensation for Non-employee Directors

and input from Management who

- recommends to the Compensation Committee the specific Company performance objectives
- ensures performance objectives are aligned with corporate strategy and thus will drive shareholder value and ensure financial soundness.

Independent Compensation Consultant

The Compensation Committee is directly responsible for the appointment, compensation and oversight of the work of any compensation consultant or other adviser retained by the Compensation Committee. The Compensation Committee has retained a nationally recognized compensation consultant, Mercer LLC ("Mercer"), to assist and advise the Compensation Committee in designing and refining the Company's executive compensation program. Fees paid to Mercer for these services totaled \$34,024 in 2023. Management retained certain Mercer affiliates to provide additional services not pertaining to executive compensation during 2023, and approved payments for those services totaling \$500,366. Those additional services included developing a strategic approach to create a more diverse sales channel network across the U.S. to support increased opportunities for revenue growth. In addition, as the Company grows the sales of its insurance products through brokers in the U.S., this has resulted in commission payments totaling \$32,025,834 during 2023 to the broker subsidiaries of Mercer. These subsidiaries are separate from the subsidiary that provides compensation consulting to the Company. As reported by Mercer to the Compensation Committee, the total payments from the Company represented less than 0.1% of Mercer's parent company's annual revenue. The Compensation Committee assessed Mercer's independence pursuant to SEC rules and NYSE listing standards and concluded that no conflict of interest exists with respect to the work Mercer performs for the Compensation Committee.

46 AFLAC INCORPORATED EXECUTIVE COMPENSATION

Importance of the Peer Group

The Compensation Committee sets target compensation for the NEOs at market competitive levels with the assistance of its independent compensation consultant. Factors considered include target pay levels in the market for comparable roles, the primary duties and responsibilities of the role at the Company, and the individual's relevant experience and performance.

As discussed in this CDNA, the Compensation Committee considers our peer group when setting compensation amounts and targets. Each year, the Compensation Committee, with the assistance of its independent compensation consultant, reviews the composition of the peer group to ensure it remains appropriate. Key factors the Compensation Committee considers during this annual review include operating characteristics, revenue size, asset size, profitability, market value, and total number of employees. Based on the annual review, the Compensation Committee selects a peer group of companies that are engaged in businesses similar to that of the Company, are of a similar size as the Company, and compete against the Company for talent. Overall, in terms of the size factors considered, the Company is positioned near the middle of this group.

2023 PEER GROUP

- The Alstare Corporation
- Assurant, Inc.
- Brighthouse Financial
- Chubb Limited
- Equitable Holdings
- The Hartford Financial Services Group, Inc.
- Humana Inc.
- Lincoln National Corporation
- Manulife Financial Corporation
- MetLife, Inc.
- Principal Financial Group, Inc.
- The Progressive Corporation
- Prudential Financial, Inc.
- The Travelers Companies, Inc.
- Unum Group

There were no changes to the 2023 peer group from the peer group used in 2022. The data below shows how the Company's revenues, total assets, and market value compare to the peer group median:

(\$ million)	Revenue ^(A)	Total Assets ^(B)	Market Value ^(C)
Aflac Incorporated	\$16,701	\$106,724	\$44,271
Peer Median	\$36,121	\$228,881	\$36,431
Percentile Rank for Aflac Incorporated vs. Peers	29th	43rd	70th

^(A) For the year ending December 31, 2023
^(B) As of December 31, 2023
^(C) As of December 31, 2023

For 2024, minor changes have been made to our peer group. See "Program Changes for 2024" which begins on page 57.

EXECUTIVE COMPENSATION 2024 PROXY STATEMENT 47

Performance-Based Compensation: How Performance Goals Are Set

The Board and the Compensation Committee believe it is important for the Company to manage its business to provide long term value to our shareholders. Therefore, performance goals under the MP and LTI programs involve metrics that drive shareholder returns, and payouts depend entirely upon the level of achievement of those goals. The following sections provide detail on how we select metrics under the MP and LTI program, determine performance target amounts and other important considerations in setting these targets.

While performance goals are continually evaluated and refreshed as appropriate, we have used the same methodology for setting MP and LTI goals for many years. Segment metrics for Aflac U.S., Aflac Japan, and Global Investments are consistent with assumptions used in developing segment financial projections (described below) based on the Company's best estimates for the coming year. The segment projections are consolidated into the corporate financial projection used to develop performance targets.

For 2023, the Compensation Committee established the following metrics under the MP:

- Corporate Metric: Adjusted earnings per diluted share excluding foreign currency effect
- U.S. Segment: New Annualized Premium, Net Earned Premium, and Cost Savings from Transformation Initiatives
- Japan Segment: New Annualized Premium and Net Earned Premium, and Cost Savings from Transformation Initiatives
- Global Investment Metrics: Net Investment Income (U.S. and Japan GAAP Segments only) and Credit Losses/Impairments

Beginning in 2023, the Compensation Committee decided to incorporate a modifier into the MP compensation formula. The modifier allows a +/- 5% flat, or +/- 5% adjustment to total MP compensation for all MP participants based on achieving specific critical path sustainability objectives for 2023.

Considerations in setting the target goal amount for each of these MP metrics are described in more detail below.

Importance of Measuring Management's Performance Excluding the Impact of Currency

Since 1991, the Company has communicated external earnings results that exclude foreign currency effects. Similarly, MP objectives are set on a currency-neutral basis.

Aflac Japan's performance is important to our results, as the Japan segment accounted for approximately 50% of total adjusted revenues for the year ending December 31, 2023. The Company's reported U.S. generally accepted accounting principles ("GAAP") revenue, earnings, assets, book value, and cash flow are affected by changes in the relative values of the yen and the dollar, which changes are outside management's control. Recognizing that strengthening and weakening of the yen can affect the value of the Company's shares, the Compensation Committee believes it is important to ensure that executives bear the same exposure to the yen/dollar exchange rate as our shareholders and that equity-based incentive programs and stock ownership requirements serve to align management with shareholders. When setting the MP objectives, the Compensation Committee strongly believes that management should not be unduly rewarded because of short-term movement in the yen/dollar exchange rate when the yen is strong or penalized in periods of yen weakening when those currency shifts influence key incentive compensation metrics.



Key Examples

Walmart 2024 Proxy Statement

Detailed process calendar, peer group with comparable

3 Executive Compensation Governance and Process

Who sets executive compensation at Walmart?

The CHDC, which consists entirely of independent Directors, is responsible for establishing and approving executive compensation for all Executive Officers, including the CEO and other NEOs, and for overseeing our executive compensation program (see page 29 for more information about the CHDC).

Board of Directors	CHDC	Management
<ul style="list-style-type: none"> Oversees strategy and long-range plan, approves annual operating plan and capital expenditures Reviews reports from the CHDC on CEO compensation matters 	<ul style="list-style-type: none"> Reviews and approves compensation of CEO and other Executive Officers Approves incentive metrics and goals aligned with long range plan and annual operating plan Oversees Walmart's compensation and benefits programs Oversees management development and succession planning Engages independent compensation consultant Oversees compliance with stock ownership guidelines and clawback policy 	<ul style="list-style-type: none"> CEO recommends to the CHDC on non-CEO Executive Officer compensation Members of the Global People team attend CHDC meetings and provide information and recommendations on compensation design No member of management participates in discussions regarding his or her compensation

Role of the CHDC's independent compensation consultant

The CHDC has retained an independent compensation consultant since 2007. In fiscal 2024, after an extensive search process, the CHDC engaged Farinet Advisors LLC ("Farinet") as its independent executive compensation consultant. Under the terms of its engagement, Farinet reports directly and exclusively to the CHDC. The CHDC has sole authority to retain, terminate, and approve the fees of Farinet, and Farinet may not be engaged to provide any other services to Walmart without the approval of the CHDC. Other than its engagement by the CHDC, Farinet does not perform and has never performed any other services for Walmart. The CHDC's independent consultant attends and participates in CHDC meetings at which executive compensation matters are considered, and performs various analyses for the CHDC, which may include:

- peer group benchmarking;
- analyses regarding the alignment of pay and performance;
- analyses of the correlation between incentive plan performance measures and total shareholder return; and
- assessments of the difficulty of attaining performance goals.

The CHDC annually reviews the independence of its independent compensation consultant in light of SEC rules and NYSE Listed Company Rules regarding compensation consultant independence and has affirmatively concluded that Farinet is independent from Walmart and has no conflicts of interest relating to its engagement by the CHDC.

the compensation setting process?

Step	Data Source/Responsibility	Purpose	How It's Used
Board of Directors	Board	Establish incentive metrics aligned with annual operating plan and long-term objectives	To review the choice of incentive metrics and ensure they support our long-term strategic plan and drive results tied to shareholder value
Independent compensation consultant	Independent compensation consultant	Evaluate pay-for-performance alignment of CEO compensation with performance relative to peers	To assess the reasonableness of CEO pay, the CHDC's independent consultant conducts analysis regarding the alignment of CEO pay and performance
Independent compensation consultant for CEO	Publicly available compensation information for peer group	Setting pay and establishing Target TDC opportunity	Benchmarking data is used as a general guide to setting appropriately competitive compensation consistent with our emphasis on performance-based compensation
Board	Board	Evaluate individual performance for purposes of pay decisions	Factor in determining incentive payouts for recently completed fiscal year, also impacts merit increases (if any) and incentive award opportunities for the next award cycle
Global People Division	Global People Division	Evaluating total compensation and internal pay equity	Tally sheets: <ul style="list-style-type: none"> Summarize the total value of the compensation realizable by each NEO for the upcoming fiscal year; Quantify the value of each element of that compensation, including penalties and other benefits; and Quantify the amounts that would be owed to each NEO upon separation from our company

Executive Compensation

Company: CHDC, Management

Data Source/Responsibility: CHDC, Management

Purpose: Assess current year company performance against financial and operating metrics

How It's Used: To determine award payments for the recently completed fiscal year and set target levels for following year

To assess the ease or difficulty of attaining performance goals and whether adjustments need to be made to incentive metrics for the following award cycle

To establish incentive goals for the current year that support our strategic transformation and are aligned with operating plan, financial guidance, and our long-range plan

To understand investor expectations and monitor trends in executive compensation, used to evaluate compensation policies, practices, and plans

Shareholder feedback helps inform our executive compensation program design

Obtain investor feedback on our executive compensation program

Walmart positioning relative to compensation peer group (as of fiscal year end 2023)

Minimum	50th %ile	Maximum
\$23,183	\$121,887	\$513,993
WMT: \$387,989		
\$11,324	\$179,244	\$2,676,737
WMT: -2,100,000		
45,000	190,234	1,641,000

How is peer group data used by the CHDC?

The CHDC reviews publicly available compensation information from peer companies when establishing TDC for our executives. In constructing our peer group, we aim to reflect a cross-industry sample of the largest U.S.-based companies, including large retailers and companies with significant and complex international operations. When setting executive compensation for fiscal 2024, we selected our peer group companies using the following multi-step screening process:

Beginning with the fiscal 2024 pay cycle, the CHDC refined our peer group to reflect our evolving strategy, reducing the number of peer group companies from 45 to 26. The characteristics used to select the new peer group companies include companies broadly aligned with our enterprise strategy, including our new and emerging business lines; companies with which we compete for talent; and U.S.-based, publicly-traded companies with annual revenue or market capitalization above \$100 billion. As with our previous peer group, the new peer group excludes companies whose current CEO is also the founder.

Compensation peer group screening methodology

Step 1: Geography Screen
U.S.-based/operated companies

Step 2: Ownership Screen
Publicly traded

Step 3: Size and Strategy Screen
Revenue > \$189B, or Market Cap > \$189B
Aligned to Enterprise Strategy, or Competes for Talent

Final Peer Group
Excluded companies whose current CEO is the founder

26 Peer Companies

Applying this methodology, our peer group consisted of the following 26 companies when setting fiscal 2024 compensation in January 2023:

Peer Company	Peer Company	Peer Company
Albermarle Corporation Inc.	CVS Health Corp	McDonald's Corporation
Alphabeta Inc.	Home Depot Inc.	McKesson Corporation
Amazon.com, Inc.	Intel Corp	Meta Platforms, Inc.
American Express Company	Johnson & Johnson	Microsoft Corporation
Apple Inc.	JPMorgan Chase & Co.	Nile, Inc.
Concard Corporation	The Kroger Co.	PepsiCo, Inc.
Costco Wholesale Corporation		
		Pfizer Inc.
		Target Corporation
		United Parcel Service, Inc.
		UnitedHealth Group, Inc.
		Verizon Communications Inc.
		Wegmans Foods Finance, Inc.
		Walt Disney Company

Walmart positioning relative to compensation peer group (as of fiscal year end 2023)

Minimum 50th %ile Maximum

\$23,183 \$121,887 \$513,993

WMT: \$387,989

\$11,324 \$179,244 \$2,676,737

WMT: -2,100,000

45,000 190,234 1,641,000

Peer group data as a general guide to appropriately set competitive compensation consistent with our asset-based compensation.

Peer group data generally are used for comparable positions. The CHDC also reviews peer group data for CEO as of benchmarking the compensation of our executives who lead our operating segments. These roles have responsibilities and lead operations that, considered separately from the rest of our company, are often comparable to or similar to CEO positions at many of our peer group companies. In addition, from a competitive standpoint, it is more likely that these leaders would be recruited for a CEO position in the retail industry or for a lateral move to lead an operating segment of a company.

www.walmart.com



Actual Pay; Alignment of Pay and Performance

Prior to the pay versus performance rules, many companies included a graphical depiction of their pay-for-performance story in their proxy.

What to Think About

Investors have been asking companies to demonstrate a clear connection between pay and company performance for years. Some want to see this connection extend over a multi-year period. Investors also want to see an appropriate mix of fixed vs variable pay. Although it has been a sustained focus area, many investors have not been prescriptive in how companies demonstrate the pay and performance connection and have not dictated how a company defines pay or company performance.

Labrador Transparency Award Criteria



- The CD&A summary includes an overview of incentive program achievement and payouts.



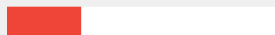
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Benchmarking

Pay for Performance

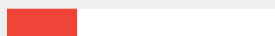
28.0%

CD&A includes pay-for-performance alignment discussion



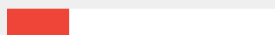
27.0%

Discusses alignment on a year-over-year basis



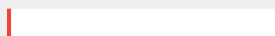
24.0%

Discusses alignment on a 3-year basis



2.0%

Discusses alignment on a 5-year basis



Graphics

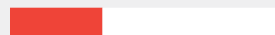
47.0%

Revenue or sales



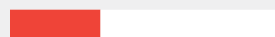
35.0%

Company TSR



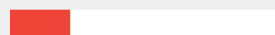
34.0%

Relative company TSR



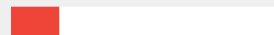
23.0%

CEO pay vs. TSR



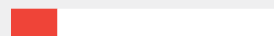
19.0%

Pay (realizable, realized, target pay, etc.) vs. Summary Compensation Table pay



18.0%

Pay vs. peer company pay

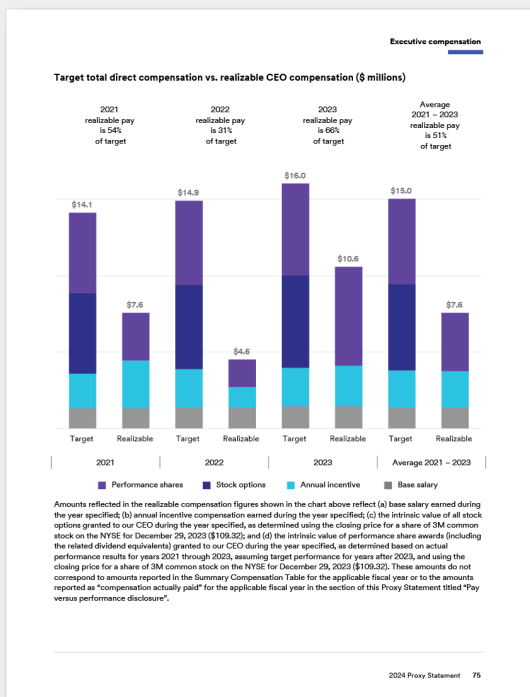




Key Examples

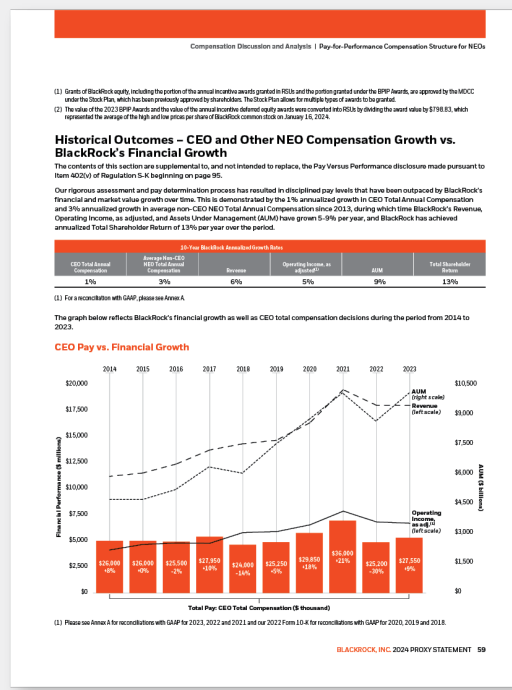
3M 2024 Proxy Statement

Utilizes a bar graph to highlight differences between target and realized CEO compensation over a three-year period



BlackRock 2024 Proxy Statement

Visually demonstrates NEO compensation growth relative to company financial growth over a ten-year period





Key Examples

International Paper 2024 Proxy Statement

Uses both tabular and scatter plot presentations to highlight CEO Realizable Pay versus TSR over a three-year performance period

La-Z-Boy 2024 Proxy Statement



Highlights pay for performance alignment using a scatter plot infographic comparing CEO realizable pay versus TSR over three-year period

Pay for Performance – CCG Analysis

The MDCC reviews our CEO's pay in relation to the Company's performance to ensure they are aligned. We conduct this review against our Compensation Comparator Group ("CCG") because it is one of two reference points against which we target pay and it is the primary reference against which we benchmark our program design. [For information on the CCG, see "Peer Group Benchmarking" on page 54.]

Historical CEO Pay-for-Performance Alignment

The following table demonstrates the close alignment between our CEO's realizable pay and the Company's performance over the past five three-year performance periods as compared to our CCG.

Three-Year Performance Period	Our CEO's Realizable Pay Rank (percentile of CCG)	Our Company's TSR Rank (percentile of CCG)
2019-2021	12 th	18 th
2018-2020	37 th	26 th
2017-2019	33 rd	29 th
2016-2018	60 th	45 th
2015-2017	35 th	35 th

Current CEO Pay-for-Performance Alignment

Each point on the graph below represents a CCG CEO's three-year realizable compensation (the cash compensation actually paid plus the economic value of equity based grants) relative to their company's three-year TSR performance over the period 2019-2021.

Compared to our CCG, our CEO's realizable compensation was at the 12th percentile of our peer group while the Company delivered TSR at the 18th percentile. **The MDCC believes this graph clearly illustrates a strong pay for performance alignment, especially when compared year over year** (as shown in the table on the previous page).

CEO Realizable Pay vs. TSR Performance (2019-2021)

The graph reflects CEO compensation for each company regardless of who actually served in the CEO role. This allows to compare CEO compensation for a full three year period for each company based on the CEO tenure either the CEO or individual.

- This graph is based on the 2022 proxy filing of our CCG.
- Total Shareholder Return reflects three year appreciation, adjusted for dividends and stock splits.
- Realizable pay consists of:
 1. actual base salary paid over the three year period,
 2. actual \$0 bonus over the three year period, and
 3. \$0 restricted stock awards, with equity awards based on December 31, 2021 market price for each company.
- In the money value of stock options granted over the three year period.
- Unvested restricted stock awards granted over the three year period.
- performance share awards:
 - i. actual three year total performance achievement for grant cycles beginning and ending between 2019 and 2021, and
 - ii. target three year performance for three year period assuming target performance, for performance cycles that have not been completed.
- performance stock awards:
 - i. actual cash paid using actual performance achievement for grant cycles beginning and ending between 2019 and 2021, and
 - ii. target cash awarded over the three year period assuming target performance, for performance cycles that have not been completed.

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CEO Pay-for-Performance Alignment

The chart below compares the realizable TDC for the company's CEO (for FY 2023 and 2022, Ms. Whittington and formerly, in FY 2021, Mr. Kurt Demos) relative to our peer group companies, with realizable pay for the past fiscal year valued as of our fiscal year end, April 29, 2023.

For purposes of the above charts, we have included the following elements in calculating "realizable pay" for the company and our peer groups companies:

- actual base salary paid,
- actual bonus earned for the year (typically paid in the subsequent year),
- for long-term incentives, the intrinsic value as of the applicable measurement date,
- for stock options, the in-the-money value of stock options granted in the last three years (vested and unvested) as of the applicable measurement date,
- for restricted stock (or restricted stock units in the case of certain peer companies), the number of shares granted multiplied by the stock price as of the applicable measurement date, adjusted for dividend reinvestments,
- for performance shares, shares earned or target awards for cycles beginning in the last three years multiplied by the stock price as of the applicable measurement date, adjusted for dividend reinvestments, and
- for performance cash in the case of certain peer companies, the dollar amount earned or target awards for cycles beginning in the last three years.

Say-on-Pay Vote and Shareholder Engagement

The Compensation Committee considers whether the company's executive compensation program is aligned with the interests of the company's shareholders. As part of its review of the company's executive compensation program, the Compensation Committee considered the approval by approximately 91% of the votes cast by the company's say-on-pay vote at its 2022 Annual Meeting of Shareholders. The Compensation Committee determined that the company's executive compensation philosophies and objectives and compensation elements continued to be appropriate and did not make any changes to the company's executive compensation program in response to the 2022 say-on-pay vote.

In FY 2022, we invited our top shareholders representing over 40% of the company's outstanding common stock to engage with our Chair of the Board and selected members of management on various strategic and other matters, including company strategy and performance, Board diversity and refreshment, executive compensation, and ESG priorities such as human capital management, sustainability initiatives, oversight and performance, and corporate governance practices. The Compensation Committee and the Board reviewed a summary of the shareholder feedback received on executive compensation-related matters. The shareholders with whom we engaged were generally supportive of our executive compensation program and approved of the extent to which it is performance-based. For a description of our ongoing shareholder engagement efforts, please see page 26.

2023 Proxy Statement 37

Compensation Matters

Overview of Key Compensation Practices

What We Do	What We Don't Do
<ul style="list-style-type: none"> Pay for performance – Our NEO compensation program emphasizes variable pay over fixed pay. A majority of NEO target annual compensation is at-risk and linked to our financial or stock performance. Establish and monitor compliance with stock ownership guidelines for executives – Our expectations for stock ownership further align NEOs' interests with those of our shareholders. Use TSR in long-term performance-based share awards. Mitigate undue risk – We have maximum caps on potential incentive payments and a clawback policy on performance-based compensation. Apply only independent directors to the Compensation Committee. The Compensation Committee engages an independent compensation consultant to assist it and the Board with executive compensation program design and review. Provide severance and change-in-control arrangements that are designed to be aligned with market practices, including the use of double-trigger change-in-control severance agreements. Prohibit hedging, pledging and short sales by executives and directors. 	<ul style="list-style-type: none"> Do not provide employment agreements. Do not gross up excise taxes upon a change in control. Do not rescind options without shareholder approval. Do not pay dividends on unearned performance-based shares or units. Do not have single trigger vesting of equity-based awards upon a change in control. Do not provide excessive perquisites.

38 La-Z-Boy Incorporated



Compensation Best Practices

Companies have been providing succinct snapshots of their most salient compensation practices for several years. In summary fashion, companies align their program with best practices as defined by the proxy advisory firms and institutional investors, while also distinguishing their program from the practices identified as problematic. It is important that companies provide adequate disclosure on these “hot button” topics to ensure strong shareholder support for the executive compensation program and compensation committee members.

What to Think About

Of all compensation disclosures, those related to compensation best practices are the most utilized by companies to tell their say-on-pay story. It provides for a transparent and understandable summary, especially as it usually precedes the more technical and fulsome executive compensation disclosures later in the CD&A. Given the prominence of this disclosure item, investors may use this comparable and decision-useful information as a “first pass” to determine whether additional scrutiny is needed.

Many companies list their compensation best practices in a tabular format, organized in two categories: “What We Do” and “What We Don’t Do” (others may organize by types of practice). Companies list their unique practices, as well as referencing the

practices identified by ISS as problematic. We recommend including a high-level list of “dos”/“don’ts” since the more fulsome descriptions of the policies and practices follow in the CD&A. Especially if the corporate governance section leads with an overview of best practices, we suggest taking a similar approach for the executive compensation section by including it at the beginning of CD&A or in a proxy summary. A few take the less common approach of including these best practice disclosures in a narrative format.

What we do. Companies list several items in this category. Examples of the type of items included are:

alignment of pay and performance, rigorous target setting processes and performance goals, appropriate mix of short and long-term incentives, use of an independent compensation consultant,

utilization of appropriate peer groups, risk/reward assessments, share ownership and retention policies, maximum payout caps for incentive plans, limited or no perquisites, double-trigger change in control provisions, reasonable share usage, clawback provisions, and hedging/pledging restrictions.

What we don’t do. In this category, the types of items included are NO:

employment contracts, guaranteed annual salary increases or bonuses, repricing of underwater stock options, tax gross ups, excessive perks, plans that encourage excessive risk taking, incentivizing short-term results to the detriment of long-term goals, and consultant conflicts.

Labrador Transparency Award Criteria

- The proxy summary or CD&A summary includes a summary of key compensation practices and policies (what we do/don’t do, or list).
- The CD&A includes a table, graphic or other visual element showing stock ownership guidelines for the CEO and other NEOs.
- The CEO and NEOs’ compliance or noncompliance with stock ownership guidelines is disclosed.



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Benchmarking Compensation Best Practices

81.0%

CD&A includes a summary of key compensation practices and policies (what we do/don't do, or list)



Stock ownership guidelines disclosed in CD&A includes:

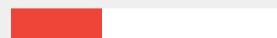
60.0%

Table, graphic or other visual element showing stock ownership guidelines for the CEO and other NEOs



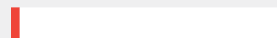
34.0%

Actual ownership of stocks of both CEO & NEOs



4.0%

Actual ownership of stocks of CEO only



68.0%

How stock ownership is calculated (what is included/excluded)



Key Examples

Home Depot 2024 Proxy Statement

Narrative presentation, with included visual element to identify each practice

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Fiscal 2023 Performance Measures and Actual Performance				Executive Compensation Results	
Performance-Based Restricted Stock:					
Restricted stock is forfeited if Fiscal 2023 operating profit is not at least 90% of the MIP target.					
Shares of restricted stock were not forfeited and will vest 50% after 30 months and 50% after 60 months from grant date.					
(\$ in billions)					
	Threshold (90% of Target)	Target	Actual**		
Metric					
Operating Profit	\$20.63	\$22.82	\$21.65		
Stock Options:					
Based on stock price performance – annual grant with an exercise price of \$262.61 made on March 22, 2023.					
At the end of Fiscal 2023, options were in-the-money by \$72.08 per share.					
Options vest 25% on the second, third, fourth and fifth anniversaries of the grant date.					
** See “Elements of Our Compensation Programs—Annual Cash Incentive—Potential Adjustments” beginning on page 51, below. “Elements of Our Compensation Programs—Annual Cash Incentive—Fiscal 2023 MIP Results” starting on page 52, below, and “Elements of Our Compensation Programs—Long-Term Incentive—Performance Share” starting on page 53, below.					
Performance-Based Features of Fiscal 2023 Compensation					
The following features of our compensation program for executive officers illustrate our performance-based compensation philosophy and our practice of following compensation best practices:					
<ul style="list-style-type: none"> ✓ 100% of the annual incentive compensation under our Fiscal 2023 MIP was tied to performance against pre-established, specific, measurable financial performance goals. ✓ One half of the annual Fiscal 2023 equity grant was in the form of a three-year performance share award, with payout contingent on achieving pre-established average ROIC and average operating profit targets over the three-year performance period. ✓ Our performance-based restricted stock awards, which comprised 30% of the annual Fiscal 2023 equity grant, were forfeitable if Fiscal 2023 operating profit had been less than 90% of the MIP target. Dividends on performance-based restricted stock grants are accrued and not paid out to executive officers unless and until the performance goal is met. ✓ Our equity awards have longer vesting periods than those of many of our peers, with the performance-based restricted stock and stock options vesting over five years and the performance shares cliff-vesting after three years (subject to achievement of performance goals), which aligns executive officers' interests with the interests of our shareholders in the long-term performance of the Company. ✓ Approximately 90.5% of our CEO's total target compensation was tied to the achievement of corporate performance objectives and/or share price performance. ✓ We do not provide tax reimbursements, also known as "gross-ups," to executive officers; we have limited perquisites; and we do not have any supplemental executive retirement plans, defined benefit pension plans, guaranteed salary increases or guaranteed bonuses for executive officers. ✓ We prohibit all associates, officers and directors from entering into hedging or monetization transactions designed to limit the financial risk of owning Company stock. 					
Impact of Fiscal 2023 Business Results on Executive Compensation					
The amount of incentive compensation paid to our executive officers, if any, is determined by our performance against our Fiscal 2023 business plan, a plan created at the beginning of the year and intended to be challenging in light of the prevailing economic conditions, yet attainable through disciplined execution of our strategic initiatives. The compensation earned by our NEOs employed at the end of Fiscal 2023 reflects our Company performance for the fiscal year:					
<ul style="list-style-type: none"> • The LDC Committee approved salary increases for the NEOs (other than Mr. Decker) based on its assessment of individual performance and other factors, as discussed in more detail below. • Our MIP paid out below the target level as a result of performance below target for the sales and operating profit metrics. Performance was slightly above target for the inventory turns metric. 					

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Key Examples

Discover 2024 Proxy Statement

Infographic presentation of what we do and we do not do

S&P 2024 Proxy Statement

Alternate presentation of what we do/don't do infographic

Palo Alto 2024 Proxy Statement

Topical presentation of compensation practices

EXECUTIVE COMPENSATION

Compensation governance best practices

We continue to maintain our disciplined approach to executive compensation with a focus on pay-for-performance, strong governance, risk management and simplicity as evidenced by the following practices:

We Do	We Do Not
<ul style="list-style-type: none"> Pay-for-performance: The majority of the compensation for our NEOs is in the form of variable cash and equity compensation linked to the short-term and long-term financial and strategic performance of the Company. Incentive compensation metrics are tied to the profitable operation and growth of the Company, and NEOs' individual goals are designed to be aligned to financial, strategic, as well as risk and compliance outcomes. Shareholder alignment: Our compensation program is designed to be aligned with our long-term interests and those of our shareholders, with a majority of NEO target direct compensation delivered as LTI awards. LTI awards are granted in the form of PSUs and RSUs, the value of which are directly impacted by the Company's stock performance. PSUs represent the majority of the target annual LTI grant value for our NEOs and are earned based on performance against EPS targets over a three-year performance period. Independent oversight: Our Compensation Committee includes only directors who are independent under applicable NYSE listing standards, and the Compensation Committee is advised by an independent compensation consultant. Share ownership guidelines for NEOs: Our CEO must own shares with a value of at least seven times base salary and our other NEOs must own shares with a value of at least three times respective base salaries. Each NEO must achieve his or her ownership guideline within five years of appointment. Incentive award limits: Incentive awards have maximum payout caps. Clawback of incentive compensation: STI and LTI compensation is subject to clawback in accordance with our Recoupment Policy, and our equity award agreements also allow the Company to forfeit or recoup LTI awards in the event of a financial restatement and under other circumstances. Risk management: We regularly evaluate the risk impact of the design of our incentive compensation program. The compensation decisions for our NEOs include a risk review that is conducted before we make annual STI and LTI awards and before the determination of vesting for all outstanding stock grants, which may result in a reduction in the number of the shares vested. Double trigger change in control: Our change in control severance policy and equity award agreements include double triggers before any payments are made. Restrictive covenants: LTI awards to NEOs are subject to non-competition and non-solicitation provisions. Limited perquisites: We provide limited perquisites to our NEOs, which are described in detail below under "2023 Summary Compensation Table." 	<ul style="list-style-type: none"> No employment contracts for NEOs: We do not have individual employment contracts with any of our NEOs. No special benefit plans: We do not provide any benefit plans to our executives that are not generally available to other employees, and we do not offer any supplemental executive retirement plan benefits to our executives. No hedging or pledging: Directors and executive officers, including NEOs, are prohibited from hedging Company securities, holding Company securities in a margin account, or otherwise pledging Company securities, including as collateral for a loan. No excise tax gross-ups: We do not provide excise tax gross-ups on any perquisites.

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COMPENSATION DISCUSSION AND ANALYSIS (continued)

Overview of Key Best Practices: What We Do and Don't Do

The Compensation Committee regularly reviews best practices in executive compensation and governance and has revised our policies and practices over time. Today these practices include:

COMPENSATION PRACTICE	COMPANY POLICY	MORE DETAIL
Pay-for-Performance & Shareholder Alignment	Approximately 93% of CEO and 85% of our other NEOs' total target annual compensation opportunity is variable, incentive-based pay contingent on meeting challenging, top-line and bottom-line short-term and long-term performance objectives. We also include caps on individual payouts under our short- and long-term incentive plans at 200% of target. Long-term incentive compensation opportunities for NEOs are equity-based and tied to business plan performance metrics.	Pgs. 59-60
Robust Stock Ownership Guidelines	We have meaningful stock ownership guidelines for our Directors and executive officers. The executive guidelines require 200% retention until the guidelines are met.	Pg. 85
Annual Shareholder Say-on-Pay	We value our shareholders' input and seek an annual non-binding advisory vote from shareholders on our executive compensation program for our named executive officers.	Pg. 56
Shareholder Outreach and Input	Our outreach program gives institutional shareholders the opportunity to provide ongoing input on our programs and policies. We carefully review say-on-pay results and all shareholder feedback when structuring executive compensation.	Pgs. 11-13
Pay Recovery (Clawback) Policies	Our pay recovery policies give us the right to cancel and recoup cash incentive and long-term incentive award payments received by covered active and former employees under various circumstances, including misconduct and financial restatements.	Pg. 86
Anti-Hedging and Anti-Pledging Policy	Our anti-hedging and anti-pledging policy prohibits Directors, officers and other designated employees from engaging in hedging and pledging transactions related to Company stock.	Pg. 86-87

COMPENSATION PRACTICE	COMPANY POLICY	MORE DETAIL
No Single Trigger Change-in-Control	Our Long-Term Incentive Plan awards are subject to "double-trigger" treatment in the case of a change-in-control (i.e., unvested awards are accelerated only if there is both a change-in-control and an involuntary termination of employment).	Pg. 84
No Excessive Perquisites	We do not provide excessive executive perquisites to our NEOs and we believe our limited perquisites are reasonable and competitive.	Pg. 82
No Tax Gross-Ups	We do not provide tax gross-ups in connection with any perquisites or in the event of any "golden parachute payment" in connection with a change-in-control.	Pg. 85
No Dividends or Unearned Awards	We do not pay dividends on unearned PSUs or RSUs.	Pg. 60
No Employment Contracts	None of our NEOs have a formal, fixed-term employment contract.	Pg. 87
Pension Benefits Frozen	We froze both our defined benefit pension plans to new participants and future accruals, effective as of April 1, 2012.	Pgs. 96-97

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Executive Compensation

Our Compensation Best Practices

We believe our executive compensation program represents recognized best practice and reflects principles that align the compensation of our NEOs with the long-term interests of our shareholders.

ROBUST AND INDEPENDENT COMPENSATION DECISION-MAKING, ALIGNED WITH OUR CORPORATE VALUES
<ul style="list-style-type: none"> 100% independent Compensation and People Committee Independent compensation consultant Annual review of compensation strategy Consideration of annual say-on-pay vote and other shareholder feedback

COMPENSATION BEST PRACTICES
<ul style="list-style-type: none"> Majority of compensation is performance-based and at-risk 100% of short-term incentive cash compensation is performance-based and at-risk Inclusion of ESG modifier to cash incentive plan, which modifies the annual incentive cash compensation (plus or minus 10%), based on our performance relative to an ESG scorecard with climate, inclusion and human capital metrics 100% of equity awards granted to our NEOs in fiscal 2024 were performance-based, based on different performance metrics than the annual cash incentive plan No single trigger vesting of equity awards on occurrence of a change in control No dividends paid on unvested equity Robust stock ownership guidelines One-year post-vesting holding period for all NEOs, including our Chief Executive Officer No hedging or pledging, except limited pledging permitted with the prior approval of the Governance and Sustainability Committee Meaningful compensation recovery and clawback policies Limited perquisites and personal benefits No defined benefit plans or SERPs Assessing and implementing the advice of independent compensation consultant, including a decision-making framework to further ensure alignment of executive compensation decision with our pay-for-performance philosophy

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Elements of Compensation

The SEC requires extensive disclosures related to a company's chosen compensation elements in the CD&A, including a description of each compensation element, why the company chose each element, and how the amount (or formula) for each pay element is determined. Most companies have found that the most effective way to share all of this information--and often to supplement it--is through visual depictions of their compensation elements, pay mix, weightings, and other features.

What to Think About

Stockholders want to understand the pay elements and pay mix used to drive the company's compensation philosophy and objectives.

Since addressing that expectation requires a robust narrative, it is a good idea to create stylized bar or pie charts, or some other tabular disclosure, to summarize the information at the beginning of the CD&A. When done well, these visuals provide a helpful overview of the detailed discussion that will follow.

We recommend designing graphics that show how compensation elements are allocated, which are short-term vs long-term, and which are "at risk" vs "fixed." In addition, most companies summarize the objectives and key characteristics (such as performance metrics and vesting terms) of each element of pay. Here it is helpful to be specific and not just say that each element is there to "attract, retain, and motivate high-performing executives." Finally, some companies explain how the chosen performance metrics or other features support the company's strategy and business performance.

Labrador Transparency Award Criteria



- The document includes disclosure of CEO and average NEO pay mix presented as a graphic or using other visual elements.
- The proxy summary or CD&A summary includes a table or other visual overview of components of compensation, including, at a minimum for incentive programs: performance metrics; weighting of each metric; performance periods; and vesting terms.
- The document includes a table or other visual summarizing the objective/purpose of each element of compensation.
- The CD&A summary explains changes to the program for the reporting year or states that there are no changes from the prior year.
- The base salary disclosure includes a table, graphic, or other visual element that presents any change in the NEOs' base salaries year-over-year or states no change.



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Benchmarking

Elements of Compensation

81.0%

The document includes disclosure of CEO and average NEO pay mix presented as a graphic or using other visual elements



Pay mix graphic is broken down by:

71.6%

Percentage of At-Risk (vs. Fixed)



53.1%

Percentage of Performance-based (vs. Non-performance-based)



49.4%

Percentage of Cash vs. Equity



48.1%

Percentage of Cash vs. Equity



Overview of elements of compensation program includes:

81.0%

Objective/purpose of each element/component



62.0%

Metrics/performance measures used in each component (particularly in incentives)



50.0%

Performance period and/or terms and/or vesting



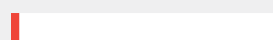
52.0%

Weighting of each metric



4.0%

Callout for new metrics/performance measures



Pay mix graphic is broken down by

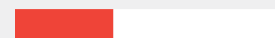
52.0%

Table, graphic or other visual element that presents change in NEOs' base salaries year-over-year or states no change



37.0%

Column in table for % changes



27.0%

Statement that there is no change to base salary

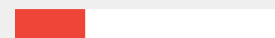




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Key Examples

General Mills 2023 Proxy Statement

Straightforward, informative table that includes weightings, performance measures, and a reason for each element

AGCO 2024 Proxy Statement

Easy to read table that provides weightings, performance metrics, performance period, and purpose for each element

Booking Holdings 2024 Proxy Statement

Table with detailed information about each compensation element

PVH 2024 Proxy Statement

Compact but informative table that includes performance periods and measures and specific compensation amounts awarded or paid

ServiceNow 2024 Proxy Statement

Streamlined table that includes only the form and the purpose for each compensation element

Executive Compensation

Executive Compensation Program Design

Elements of Total Direct Compensation and Alignment with Performance Measures

Our executive compensation program is designed to incentivize our NEOs to pursue strategies and execute priorities that promote growth and deliver strong returns to shareholders. The core elements of our NEO total direct compensation consist of base salary, annual incentive and long-term incentive. Targets for each element are established within a reasonable range of the median of our industry peer group. Each element of annual and long-term incentive compensation is tied to performance and closely aligned to our strategy, long-term growth model, financial objectives and ultimately to TSR and continued value creation for our shareholders.

Percentage of Total Direct Compensation	Total Direct Compensation Element	Pay Element	Performance Measure	Strategy and Performance Alignment
10%	BASE SALARY	Cash	Individual performance and contribution based on scope and complexity of role	Individual roles in essential range of market median based on individual performance and contribution
70%	ANNUAL INCENTIVE	Cash-based award	Company Performance (EPS) Organic net sales growth Adjusted operating profit growth Customer Retention	Financial and operational result achievement of key financial objectives Consistent performance measured against long-term growth model
20%	LONG-TERM INCENTIVE	Performance Shares Units	Three-year performance period Organic net sales growth Company Performance Cash flow 12-15% Return on Equity (ROE)	Performance metrics align with key elements for delivering growth and creating value for shareholders
5%	Stock Options	Four-year cliff vesting	Ultimate value tied to stock price appreciation	Ultimate value tied to stock price appreciation
5%	Restricted Stock Units	Four-year cliff vesting	Ultimate value tied to TSR	Ultimate value tied to TSR

Significant Percentage of Executive Pay is At Risk

Since executive compensation is paid primarily in the form of annual and long-term incentive awards, a significant percentage of executive pay is at risk and variable based on the annual and long-term performance of the company. PSUs, which comprise 50% of the long-term incentive award, will only be paid at the end of the three-year performance period if three-year financial targets are achieved and are further subject to a 20% adjustment (or down based on the company's TSR relative to the TSR of the companies in our compensation peer group). Stock options and RSUs, which comprise the remaining 50% of the long-term incentive award, derive their value directly from the company's common stock price appreciation, which in the long term is a reflection of company performance and is directly linked to shareholder returns.

- Performance Share Units:** Can be rendered worthless if company performance for any three-year period is below threshold.
- Stock Options:** Have no value if the company's common stock price does not appreciate prior to expiration of the stock option.
- Restricted Stock Units:** Value can decline significantly from the grant date if the company performs poorly and its common stock price falls.

General Mills, Inc. 2023 Proxy Statement 39

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COMPONENTS OF 2023 EXECUTIVE COMPENSATION

Short Term	Mid Term	Long Term
Base Salary Cash	APR Plan Cash	Performance Share Units (PSUs) Stock
10%	50%	40%

Purpose

Market competitive base salary reflecting contribution, background, knowledge, skills, and performance

Annual cash incentive based on achievement of key financial targets

Based on AGCO's performance vs. pre-established goals aligned with generating shareholder value over the long-term

Employee Retention

Performance Period

N/A

1 year

3 years

3 years

Performance Measures

N/A

Adjusted Operating Margin as a % of Net Sales (40%)
Return on Net Assets (50%)
Customer Satisfaction (50%)
Employee Engagement (50%)

Revenue Growth (50%)
Return on Net Assets (50%)
Subject to a TSR modifier relative to an appropriate index

Stock Price Appreciation, as the ultimate award value upon settlement depends upon stock price

CHIEF EXECUTIVE OFFICER

OTHER NEOs

Component	Weighting	Target
Base Salary	33%	Target LT
APR Plan	46%	Target LT
PSUs	21%	Target Bonus
Base Salary	28%	Target Bonus

We believe that, as an executive's responsibilities increase, so should the portion of his or her total pay comprised of incentive compensation. As illustrated below, in 2023 on average, over 70% of our NEO compensation was variable of "at risk" and tied to AGCO's performance, with the greatest portion associated with long-term incentives.

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EXECUTIVE COMPENSATION

Pay Elements

We use different elements in our executive compensation program to drive different behaviors. The elements work together to promote our compensation philosophy and objectives described above.

Element	Form	Key Characteristics	Link to Shareholder Value
Base Salary	Cash	Determined by: • Information from the Compensation Peer Group described below; • Individual performance of the executive, including level of responsibility and breadth of knowledge; and • Review of the executive's total compensation, both individually and relative to other senior executives.	• Provides a need of economic security and stability for executives to focus on meeting our objective, and encourage attraction and retention of top talent.
Short-term Incentive Program	Cash	• Capped bonus pool determined by Company financial performance; and • Capped individual bonuses determined by a combination of Company financial performance and individual performance.	• Promote the achievement of the Company's annual goals.
Long-term Incentive Program	PSU	• Tied to our financial performance, our relative TSR compared to a group of peers and tourism peers; and capped at target if absolute TSR is not positive; • Number of shares ranges from zero to 2x the target grant amount, depending on our financial performance over a three-year period; and • Vested, subject to continued employment, on the three-year anniversary of the grant date. ¹¹	• Incentivize strong long-term financial and TSR performance, as well as increase in our stock price over a three-year period.
RSU	PSU	• Tied to share of stock to align executive's interests with those of stockholders; and • Also used in connection with new hires or promotions to provide an initial stake in the Company and an additional retention incentive until the individual's PSU begins to vest.	• Alignment of interests with stockholders and to provide a retention element that balances the at-risk pay in the long-term incentive program.

¹¹ In 2024, the TSC Committee revised the future salary to 60% PSU and 40% RSU. ¹² Except for Mr. Guadagni's 2023 PSU award, which was described under Mr. Guadagni's 2023 Long-Term Incentive Award.

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The table below shows the principal elements of the compensation program for our Named Executive Officers and the target values attributable to each element for 2023, subject to the following:

- Annual bonuses are shown at the highest level of payout.
- RSUs, stock options and performance share units are shown at the grant date value.

Officer	Year	Short-Term		Long-Term		
		Annual Salary	Annual Bonus	Restricted Stock Units	Stock Options	Performance Share Units
Mr. [Name]	2023	\$[Value]	\$[Value]	[Value]	[Value]	[Value]

2023 Values

Officer	Annual Salary	Annual Bonus	RSUs	Stock Options	PSUs
Mr. [Name]	\$[Value]	\$[Value]	[Value]	[Value]	[Value]

¹ Awards to the Chief Executive Officer are subject to an additional award holding period for the above stated dollar amount when the award is paid.

² Amounts shown for Mr. [Name] are a dollar amount and not dollar per share. Mr. [Name]'s 2023 restricted LT PSU grant value was \$1,262,217 relative to the bonus. The grant value for Mr. [Name] was \$1,262,217 and the bonus was \$1,262,217.

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Compensation Discussion and Analysis

Overview of Key 2023 Compensation Elements

The table below summarizes the key elements of our 2023 executive compensation program.

Element	Form of Payment	Purpose
Base Salary	Cash	• Market- and peer-group aligned compensation to attract and retain talent • Performance-focused annual program to complement dynamic, fast-moving nature of our business
Annual Cash Incentive	Cash	• Aligns to growth plan strategy and incentivizes achievement of pre-defined performance objectives • A diversified mix of rigorous metrics to drive growth and shareholder value creation
Performance-based RSUs (PSUs)	Equity	• Incentivizes long-term shareholder value creation and strong sustained financial performance • Aligns to shareholder interests and long-term strategy
Time-based RSUs (TSUs)	Equity	• Multi-year vesting provides retention incentive • Discourages focus on short-term success • Encourages behavior and initiatives that support sustained stock price growth and also acts as an effective retention tool

Rationale for Metrics Underlying 2023 Performance-Based Compensation

The performance metrics applicable to the 2023 annual cash incentive and PSUs under the ServiceNow, Inc. Amended and Restated 2023 Equity Incentive Plan ("EIP") are strongly linked to our financial and operational performance and should align executive compensation with short-term and long-term shareholder value creation. In addition, the risk-adjusted component of the NEO's 2023 annual cash incentive payout considered progress on goals that advance our global impact vision and business strategy, including People and Culture.

Metric	Component	Rationale	Annual Cash Incentive Pay	LT PSU
Revenue	Non-GAAP Operating Margin	Represents bookings from new customers and additional bookings from existing customers. It is an effective measure of our performance as the new business booked in a given year typically is subject to a three-year contract, which, absent customer attrition, results in the recurring of an industry-leading 95% can be a reliable indicator of revenue and customer relationships for many years into the future.	✓	✓
Customer Retention	Non-GAAP Operating Margin	Measures the core profitability of our operations. This metric indicates how efficient performance and execution across all organizations and/or all levels within the Company are at retaining customers over time.	✓	✓
Customer Satisfaction	Non-GAAP Subscription Revenue	Measures our success in attracting and retaining customers over time. This metric measures renewing and expanding customer relationships, provides an indication of the long-term health of our business and customer satisfaction and is simple to understand.	✓	✓

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Key Examples

Healthpeak 2024 Proxy Statement

Streamlined table that includes only the form and the performance metrics for each compensation element

Hubbell 2024 Proxy Statement

Compact table that summarizes how each element is determined and how each links to company strategy

Accenture 2024 Proxy Statement

Streamlined table that focuses on the objectives of each pay element

CVS 2024 Proxy Statement

Detailed table includes performance periods, metrics, links to company strategy, and target pay mix graphics

Healthpeak 2024 Proxy Statement page showing Compensation Highlights and 2023 Executive Compensation Program details.

Hubbell 2024 Proxy Statement page showing Elements of Compensation and a bar chart for NEOs' pay mix.

Accenture 2024 Proxy Statement page showing Overview of Compensation Elements and Compensation Practices.

CVS 2024 Proxy Statement page showing Elements of Our Executive Compensation Program and target pay mix graphics.



Incentive Compensation

Companies are required to describe how they determine the amounts, and when applicable, formulas, for each element of pay. They must identify the specific items of corporate performance considered in setting compensation and making decisions. It is important to describe any exercise of discretion when determining amounts, either to award compensation absent attainment of the relevant performance goal or to increase or reduce the size of any award or payout.

Investors are increasingly scrutinizing pay and holding compensation committee members accountable when pay programs fall short. Investors expect clear and timely disclosure of the components and mix of short and long-term incentives as well as decisions made related to compensation, and they want to know that the compensation program is thoughtfully structured with rigorous goals that appropriately align executive and shareholder interests. The incentives used should have a demonstrated tie to the company's strategy and business performance, and not incentivize undue risk taking. Details related to how the company calculates each measure should be clearly articulated.

Best practice companies include a comprehensive snapshot of the metrics, weighting, rationale for the metrics, and high-level description of how they are calculated early in the proxy summary or CD&A. They pair this disclosure with how the goals (threshold, target, and maximum) are established, and set it alongside actual results to demonstrate goal rigor, often presented for a multi-year period. More detailed information then follows in the discussion of incentive compensation later in the CD&A.



Short-Term Incentives: Things to Think About

- **Disclosure Considerations:** Disclosures for short-term incentives should be detailed and nuanced to help investors understand the unique characteristics of a company's annual bonus program and the multiple financial and non-financial metrics used to determine payouts and to incentivize different components of a company's strategy and business performance. Infographics should be used to aid investors' understanding of the performance measures, relative weighting, actual achievement of each metric versus target/range, and formulas used for calculation of final award payouts.
- **Adjusted Metrics:** If financial metrics are adjusted for non-recurring, unusual, or other items, disclosure should be clear and sufficient to allow investors to understand how metrics were adjusted with sufficient explanation to allow investors to determine if such adjustments were appropriate. Some companies include a description of adjustments to GAAP measures that are used in the incentives in a more prominent section of the CD&A and/or in a graphical format, while others include the adjustments near the end of the compensation disclosure in narrative format.
- **ESG Metrics:** In recent years, more and more companies have incorporated ESG metrics into their compensation programs. Companies will often highlight the inclusion of these metrics in their board and compensation committee letters and then provide detailed information in the CD&A. In light of the increased importance put on ESG by some investors, and the potential backlash from other anti-ESG proponents, companies should carefully review their disclosures and be sure to explain the rationale for their ESG metric(s), how it can be achieved, and how it ties into and advances the company's strategy and business performance. As with all non-financial metrics, companies should consider how to best support reported levels of achievement, particularly when individualized to each named executive officer, as demonstrating rigor in what is often a more discretionary evaluation will be important to investors when they are evaluating overall compensation committee performance.
- **Exercise of Discretion:** Where compensation committees are required to exercise discretion in evaluating individual performance, or they choose to award short-term compensation absent goal attainment, to provide a one-time bonus payout, or to increase or reduce the size of a payout under a previously established award, companies should provide as much detail as possible regarding the rationale and the criteria considered to support the rigor of the award process. In the case of individual performance evaluations, CEO/NEO scorecards become particularly meaningful ways to provide this detail.

Labrador Transparency Award Criteria



- The annual incentive disclosure includes a graphic explaining how the award(s) is calculated.
- Rationale for selection of performance metrics used in the annual incentive program for the applicable year is explained.
- The annual goal setting process (e.g., including how plan goals relate to the annual operating plan, guidance/forecasts or prior year performance) is explained.
- A table or graphic is used to present performance goal(s) and final results for the annual incentive program for the applicable year.



Long-Term Incentives: Things to Think About

- **Disclosure Considerations:** Disclosures for long-term incentives should be detailed and nuanced to help investors understand the unique characteristics of a company's equity-based compensation program. Disclosures should help investors understand the mix of vehicles utilized by the company and why, as well as the financial and non-financial metrics used to determine payouts and how each incentivizes executives with respect to the components of a company's strategy and business performance. Infographics should be used to aid investors' understanding of the mix of equity components (i.e., stock options, RSUs, performance-based equity, or other equity-based awards) and vesting periods. For performance-based awards, infographics should also describe the performance measures, relative weighting, final results for each metric for the periods completed in the applicable year (versus target/range), and formulas used for calculation of final award payouts (in each case, consistent with those used for short-term incentives).
- **Adjusted Metrics:** As with short-term incentives, if financial metrics are adjusted for non-recurring, unusual, or other items, disclosure should be clear and sufficient to allow investors to

understand how metrics were adjusted with sufficient explanation to allow investors to determine if such adjustments were appropriate. Some companies include a description of adjustments to GAAP measures that are used in the incentives in a more prominent section of the CD&A and/or in a graphical format, while others include the adjustments near the end of the compensation disclosure in narrative format.

- **Exercise of Discretion:** Where compensation committees choose to certify vesting of long-term compensation absent goal attainment or to provide one-time equity awards, companies should provide as much detail as possible regarding the rationale and the criteria considered to support the rigor of the award process.
- **Outstanding Equity Awards:** Given the longer duration of most equity awards, and potential vesting periods post-achievement, best practice companies provide information related to the status of all outstanding performance awards and indicate the projected pay outs for each at the end of the performance period. Investors find it helpful to understand the interplay between all outstanding equity awards. For

companies, this information can also be beneficial to highlight the strong pay for performance linkage of their long-term incentive program as time progresses. Presenting in a concise infographic aids a reader's ability to see the overlap and flow of awards.

Labrador Transparency Award Criteria

- A table or graphic showing the mix of long-term incentives is included as part of the discussion of the long-term incentive program
- The long-term incentive disclosures include a graphic or other visual explaining how the performance-based awards are calculated.
- Rationale for selection of performance metrics used in the long-term incentive program for the applicable year is explained.

- A table or graphic is used to present performance goal(s) and final results of long-term incentive programs with periods completed in the applicable year.
- Current payout percentages (i.e., "tracking" based on performance to date) for outstanding equity awards are disclosed in a table, graphic or using other visual elements.



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Benchmarking

Short-Term Incentives

Short-term incentives discussion includes:

87.0%

Table or graphic to present performance goal(s) and final results for the applicable year



88.0%

Rationale for selection of performance metrics for the applicable year



62.0%

Graphic explaining how the award(s) is calculated



62.0%

Individual NEO performance component



57.0%

Diversity, environmental, or other ESG-focused performance metrics



Long-Term Incentives

Long-term incentives discussion includes:

76.0%

Rationale for selection of performance metrics for the applicable year



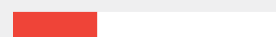
73.0%

Table or graphic is used to present performance goal(s) and final results for performance periods completed in the applicable year



32.0%

Graphic explaining how the award(s) is calculated



52.0%

Long-term incentive mix graphic



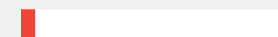
9.0%

Current payout percentages for outstanding equity award in a table, graphic or using other visual elements



6.0%

Diversity, environmental, or other ESG-focused metrics are used in the long-term incentive program.





Key Examples

Summary of Both Short- and Long-Term Incentives

Ventas 2024 Proxy Statement

Links incentive pay to strategy, includes timeline of changes

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Executive Compensation

Performance Measures and How They Are Linked to Our Strategy

Performance measures for our annual and long-term incentive plans are designed to encourage our executives to focus on initiatives that will further the Company's annual and long-term strategic priorities and objectives. Annual measures typically relate to items that can be completed within one year or are appropriately considered on a year-over-year basis, but we may also establish annual measures linked to longer term objectives to emphasize the importance of a particular element of our strategy or immediate completion of a preliminary step. Long-term performance measures typically relate to items that are most appropriately assessed over a period of several years. The Compensation Committee reviews the annual and long-term incentive program design annually.

Set forth below are timelines that show the performance measures used in our recently completed annual and long-term incentive plans, as well as the measures used in our incentive plans for which the performance periods are not yet complete: the 2024 annual incentive plan and the 2022-2024, 2023-2025 and 2024-2026 PSU awards.

Timeline of Performance Measures: Annual Incentive Plan⁽¹⁾

Year	45%	10%	45%
2023	Normalized FFO/Share Fixed Charge Coverage	G&A Management and Expense Controls Individual Objectives & Performance	Normalized FFO/Share Fixed Charge Coverage
2024	Normalized FFO/Share Fixed Charge Coverage	G&A Management and Expense Controls Individual Objectives & Performance	Normalized FFO/Share Fixed Charge Coverage

⁽¹⁾ The annual incentive plan for the Outpatient Medical and Research Executive Vice President includes measures and goals specific to the outpatient medical & research ("OMR") (formerly Office) business. In 2023, 40% of the opportunity was allocated to corporate measures as described in the table above, 35% was allocated to measures and goals specific to the OMR segment and 25% was allocated to individual objectives & performance, consistent with our other Executive Officers. Please see the "Compensation Discussion & Analysis—2023 Executive Compensation—Annual Incentive Compensation—2023 Annual Incentive Performance Measures and Results" for further information.

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Executive Compensation

Timeline of Performance Measures: Long-Term Incentive Plan⁽¹⁾

Year	CEO	Other NEOs	CEO	Other NEOs
2021 to 2023	70% PSUs 30% RSUs	60% PSUs 40% RSUs	TSR vs. MSCI TSR vs. NAREIT R&I Pipeline Openings Net Debt: EBITDA DE&I: Key Metrics	25% 25% 20% 20% 17%
2022 to 2024	70% PSUs 30% RSUs	60% PSUs 40% RSUs	TSR vs. MSCI TSR vs. NAREIT Net Debt: EBITDA DE&I: Key Metrics Removed: R&I Pipeline Openings	25% 39% 19% 17% 17%
2023 to 2025	70% PSUs 30% RSUs	60% PSUs 40% RSUs	All NEOs TSR vs. MSCI TSR vs. NAREIT Net Debt: EBITDA DE&I: Key Metrics	25% 38% 20% 17%
2024 to 2026	70% PSUs 30% RSUs	60% PSUs 40% RSUs	All NEOs TSR vs. MSCI TSR vs. NAREIT Net Debt: EBITDA Removed: DE&I: Key Metrics	30% 45% 25%

⁽¹⁾ Weightings shown as percentage of total PSU award.

Use of DE&I Metrics in our Long-Term Incentive Plan

We have a long history of actively promoting diversity, equity & inclusion ("DE&I") in our company, our industry and our communities, which we believe supports the creation of long-term stockholder value. Research shows that diverse groups achieve better outcomes. Our DE&I efforts have focused on goals and initiatives that would have the greatest impact on our company, our industry and our communities and contribute to sustainable long-term outperformance.

In 2020, to accelerate our efforts, we developed a customized, comprehensive DE&I framework organized around the pillars of people, culture, investment and Beyond Ventas. We formed a DE&I Committee headed by our Chairman & CEO to put our DE&I framework into action, engaging a diverse, multi-disciplinary group of employees across our organization in the effort. To reinforce our seriousness of purpose, we incorporated DE&I metrics in our 2021-2023, 2022-2024 and 2023-2025 PSU Awards that were designed to measure progress on our DE&I initiatives.

The key DE&I metrics for each performance period were selected following review by the Compensation Committee of our DE&I framework and underlying initiatives and identification of metrics that are either foundational to making progress toward our DE&I goals or demonstrate that our DE&I initiatives are having the desired effect.

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Executive Compensation

The key DE&I metrics, quantitative goals and achievement for the 2021-2023 PSU awards are set forth in the 2023 Executive Compensation discussion under the heading 2021-2023 PSU Performance and Payouts. The key DE&I metrics for the 2022-2024 and 2023-2025 PSU awards are generally consistent with the metrics for the 2021-2023 PSU Awards. The Company expects to disclose the specific metrics and quantitative goals for the 2022-2024 and 2023-2025 PSU Awards following completion of those performance periods.

During our Fall 2023 stockholder engagement program, we received feedback that our long-term incentive program performance measures should be limited to financial measures. Based on these comments, we have removed the DE&I metrics from our PSU Awards for the 2024-2026 cycle. Consistent with our continued commitment to these values, we have included goals related to our DE&I initiatives in an ESG Scorecard that is a component of our 2024 annual incentive plan.

Procedures for Determining Compensation

Executive Compensation Decision-Making Process

The Company is committed to a competitive compensation structure that allows us to attract, retain and motivate our key executives while creating alignment with long-term stockholder value. We review executive compensation regularly to ensure that our compensation programs align with this philosophy. As part of this process, we engage in extensive benchmarking with the assistance of our independent compensation consultant, Semler Brodsky. We also maintain an ongoing dialogue with our stockholders to solicit their perspectives on our executive compensation program. Each year, the Compensation Committee:

- 01 Reviews benchmarking data regarding our executive compensation program provided by our independent compensation consultant
- 02 Considers recommendations from our independent compensation consultant regarding adjustments to our compensation structure
- 03 Considers the performance of the executive team and the Company
- 04 Considers other relevant factors, such as competition for talent and stockholder feedback
- 05 Determines whether any changes to the executive compensation structure are warranted
- 06 Reviews the performance measures and goals proposed by Management
- 07 Considers whether the proposed performance measures and goals support the Company's strategic objectives and are appropriately rigorous
- 08 Provides a recommendation to the Board of Directors regarding the CEO compensation structure and performance measures and goals
- 09 Approves the compensation structure and performance measures and goals for our other executive officers

Benchmarking and Compensation Peer Group

For benchmarking purposes, our independent compensation consultant, Semler Brodsky, provides our Compensation Committee with comparative market data on compensation practices and programs of our peer companies (the "Compensation Peer Group") and provides guidance on compensation trends and best practices. Using this market data, Semler Brodsky advises the Compensation Committee and makes recommendations with respect to program design and setting base salaries and incentive award opportunity levels for our Named Executive Officers.

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Key Examples

Chevron 2024 Proxy Statement

One-page overview of compensation program and outcomes

IBM 2024 Proxy Statement

Concise, visual overview of incentive compensation program

executive compensation

2023 compensation programs and outcomes

The MCC believes a large majority of each NEO's target compensation should be at risk based on Company performance, and the majority of this at-risk compensation should be tied to Chevron's stock price. The amount NEOs eventually earn from their at-risk compensation will align strongly with what stockholders earn over that same period from their investment in Chevron.

2023 CEO compensation mix
Target compensation: \$21,902,500

8% Base salary
14% CIP
78% LTP

2023 Other NEO compensation mix
Target compensation: \$6,531,700-\$8,523,500

15% Base salary
18% CIP
67% LTP

annual incentive plan (Chevron Incentive Plan)⁽¹⁾

Metric	Weight	Score
Financial results	35%	0.85-0.95
Capital & cost management	30%	0.85-0.95
Operations & safety performance	25%	0.69-1.05
Levered cash	10%	1.05-1.15
Corporate performance rating (weighted)	0.80-1.00	
Final corporate performance rating (weighted)	0.85	

CEO CIP award⁽²⁾ **\$2,610,000**

Corporate performance rating: **0.85**

Individual bonus component: **\$2,747,250**

Individual performance adjustment: **\$3,042,500 (-10%)**

Overall award capped at 200% of target

long-term incentive plan (LTIP)⁽¹⁾

The CEO LTIP award of \$7,000,000 comprises the following equity vehicles:

Component	Proportion	How 2023 awards work	Vesting
Performance Shares	70%	70% based on relative TSR as measured against the LTIP Performance Share Peer Group and the S&P 500 Index, with a negative TSR adjustment for executive officers that reduces the payout; modified by 20% in the event of an above-target payout associated with a negative TSR for the performance period	Three-year cliff vesting
Restricted stock units (RSUs)	25%	30% based on relative ROCE as measured against the LTIP Performance Share Peer Group	Three-year cliff vesting
Stock options	5%	10-year term; rewarding absolute stock price performance and long-term value creation	Three-year cliff vesting

2021 performance share payout

Performance period: January 2021 - December 31, 2023

Performance measure: 70% relative TSR against the LTIP Performance Share Peer Group and the S&P 500 Index; 30% relative ROCE against the LTIP Performance Share Peer Group

Outcome: 79% payout multiplier

(1) See pages 60-70 for more details regarding the program design and performance.
(2) Figures rounded.

Chevron Corporation 2024 Proxy Statement 54

Our Incentive Compensation Design Supports our Business Strategy

Our senior executive pay is heavily weighted to IBM's performance through the annual and long-term incentive programs. Each year, the Committee ensures that these programs are closely aligned to the Company's financial and strategic objectives and are appropriately balanced. Targets are set at challenging levels and are consistent with IBM's financial model shared with investors for that year. As part of IBM's ongoing management system, targets are evaluated to ensure they do not encourage an inappropriate amount of risk taking.

2023 Metrics and Weightings

Annual Incentive Program (AIP)		
Revenue	30%	Operating Cash Flow*
Measures total revenue performance across the portfolio of business		Measures our ability to reinvest and return value to shareholders
Diversity Modifier: Affirms management's commitment to diverse representation in our workforce that reflects the labor pool demographics of the communities in which we operate.		
Performance Share Unit (PSU) Program ⁽¹⁾		
Revenue	30%	Operating EPS*
Measures revenue performance over three years		Measures operating profitability on a per share basis over three years
		Free Cash Flow*
		Measures our ability to reinvest and return value to shareholders over three years
Performance adjusted by a relative Return on Invested Capital Modifier.		

* Non-GAAP financial metrics. See Appendix A for information on how we calculate these performance metrics.
(1) For PSU performance period 2020-2023, the metrics included were Operating EPS at 50%, Free Cash Flow at 30%, and the ROIC Modifier.
IBM shares its financial model each year with investors in the context of its long-term strategy. To provide further transparency, IBM discloses the performance attainment against financial targets for the most recent performance period, for both the Annual Incentive Program and the Performance Share Unit Program.



Key Examples

McDonald's 2024 Proxy Statement

Concise, visual overviews of incentive program design and results

Executive Compensation

1. Our 2023 Year in Review

BUSINESS PERFORMANCE
The Company's Accelerating the Arches strategy continued to drive significant growth in 2023 despite ongoing macroeconomic pressures. In 2023, the Company achieved a global comparable sales increase of 9% and operating income growth of 24%. Further, the Company has produced over 30% global comparable sales growth since 2019. This strong multi-year performance is evidence that the Company's M-C-D strategic growth pillars have enabled the Company to continue to meet the evolving needs of our customers around the world.

COMPENSATION
Our broad-based momentum produced strong 2023 operating income and Systemwide sales performance resulting in a Corporate STIP payout factor for NEOs of 141.3% (inclusive of financial metrics, new restaurant openings and human capital metrics). Further, the execution of our Accelerating the Arches growth strategy produced strong, multi-year performance, resulting in a 187.5% payout factor for the PRSUs awarded to our executives in 2021 that vested in early 2024 based on performance over the 2021-2023 performance period. Since the introduction of our Accelerating the Arches growth strategy in 2020, and consistent with our pay for performance philosophy, our incentive programs have yielded Corporate STIP payouts ranging from 0 to 185% of target depending upon the Company's performance against rigorous, pre-established, quantitative targets.

As highlighted in the following graphics, the strong 2023 STIP and 2021-2023 PRSU payout factors are a result of the Company significantly exceeding its targets for the key financial metrics included in our incentive designs for both the one and three-year performance periods, emphasizing the Company's steadfast commitment to pay for performance.

For more detailed information on our incentive plans and the calculation of our payout factors, see "Performance-Based Compensation Metrics" and "2023 Direct Compensation Elements" beginning on pages 59 and 60, respectively.

54 2024 proxy statement **McDonald's**

Executive Compensation

Second Principle: Drive Business Results & Long-Term Value Creation
While we believe it is important to reward success against short-term goals, our overall focus is on driving long-term shareholder value. The Committee regularly considers how our compensation program supports our current business strategy, as described below. In order to incentivize long-term value creation, we have generally delivered approximately 75% of our CEO's compensation opportunity in the form of long-term incentive awards that vest over several years.

Third Principle: Pay Competitively
Our compensation program is designed to attract, motivate, and retain talented executives critical to our success. The Committee monitors the compensation practices of our peer group of companies with which we compete for talent and considers market competitiveness when setting executive compensation. Additionally, the Committee considers internal pay equity, as described below, when making executive compensation decisions.

4. Aligning Compensation with Business Strategy

The Committee annually reviews our executive compensation program to evaluate whether the program and performance metrics are designed to help drive execution of our business strategy. As part of this review, the Committee may modify the design and/or performance metrics to reflect the most significant priorities of our business strategy in a given year.

2023 Short-Term Cash Incentive (STIP)
The design of our executive compensation program for 2023 is generally consistent with 2022, which the Committee believes is closely aligned with the Company's strategic priorities and motivates our executives to produce strong business results. For the 2023 STIP, the Committee retained operating income and Systemwide sales (which together account for 70% of the award) as core metrics and added new restaurant openings as a core metric given the importance of restaurant development in driving top line growth as part of the evolution of the Company's Accelerating the Arches growth strategy. In addition, our human capital metrics were streamlined to focus executives' efforts towards established DEI ambitions. Further, the Committee retained the quantitative performance modifier that was introduced in 2022 and focused on converting applicants in our franchisee program into new restaurant owners and the diversity of such new restaurant owners, which was only applicable to business leaders with direct oversight of this process, including Ms. McDonald and Mr. Erlinger. The Committee believes this combination of metrics reflects the appropriate balance of driving both top- and bottom-line growth and motivating leaders to achieve key business objectives that are deemed critical to our Accelerating the Arches growth strategy. Refer to "Short-Term Cash Incentive (STIP)" on page 60 for more information on the details.

2023 Performance-Based Restricted Stock Units (PRSUs)
The Company's 2023 PRSU design is also closely tied to the Accelerating the Arches growth strategy and drives long-term, sustainable growth. The 2023 PRSU design, which includes EPS growth and ROIC as core metrics, as well as a TSR modifier, is the same as the 2022 PRSU design. The Committee believes the program appropriately incentivizes executives to drive long-term shareholder value. Refer to "Long-Term Incentive Compensation" on page 62 for more information on the details of our PRSU awards.

WEIGHTINGS OF PERFORMANCE METRICS

* If EPS and ROIC performance results in a payout of ± 1.05 point modifier based on TSR over the performance period is triggered

56 2024 proxy statement **McDonald's**

Executive Compensation

2024 Program Design

Our program design for 2024 will be largely consistent with the 2023 design, as the metrics included in our 2023 design continue to be closely aligned with our Accelerating the Arches growth strategy. The 2024 STIP design will retain the core metrics of operating income growth, Systemwide sales growth and new restaurant openings, with the weightings consistent with the 2023 design. The 2024 design will also introduce a strategic scorecard that will represent 10% of the STIP and will reflect management's efforts towards key strategic initiatives, including the Company's franchising strategy, employee engagement and established DEI ambitions. The design of the 2024-2026 PRSUs will remain the same as the prior-year design.

5. Compensation Setting Process

The Committee reviews our overall executive compensation program to evaluate whether it remains aligned with current business objectives and evolving best practices, including seeking feedback from our shareholders, as described in more detail below. The following highlights the Committee's annual review process.

Input from our compensation consultant
The Committee's independent compensation consultant reviews and provides input on overall compensation design and NEO target compensation opportunities.

Market considerations
The Committee considers peer data and market benchmarking pay data obtained from various sources.

Role of management
Management provides the Committee with its perspectives on compensation matters. No member of management is involved in decisions regarding their own compensation. In determining the compensation for NEOs other than himself, Mr. Kempczinski provides input and recommendations on the performance of each NEO. The Committee Chair, along with our independent Chairman, leads the independent directors in the evaluation of Mr. Kempczinski's performance. Based upon the results of this performance evaluation and informed by input from the Committee's independent compensation consultant, the Committee reviews and approves the NEOs compensation, including Mr. Kempczinski. The Committee Chair regularly reports to our Board following Committee meetings.

Shareholder Engagement
Throughout the year, management engages in dialogue with a significant portion of our shareholders on a variety of topics, including our executive compensation program (for more details, see "Proxy Summary" beginning on page 7). The Committee considers feedback received through these direct discussions with investors in addition to prior "Say-on-Pay" results. In 2023, the Company received approximately 92% approval of our "Say on Pay" vote. The Committee considered the voting results as part of its annual review of the program and determined that our compensation guiding principles and compensation elements continued to be appropriate and aligned with our strategy.

Strong support for our executive compensation program at our 2023 Annual Shareholders' Meeting.

92%

McDonald's corporate.mcdonalds.com 57



Key Examples

3M 2024 Proxy Statement

Expanded overview of performance compensation and results

Executive compensation

⁽¹⁾ Percentages shown reflect the apportionment (or, in the case of the percentages shown for the Other NEOs, the average apportionment) of the components of target total direct compensation that are expected to be recurring. Such amounts do not reflect special items such as hiring bonuses, one-time make-whole and retention awards granted in connection with the commencement of employment, or special grants.

⁽²⁾ In determining the level of achievement of the performance goals established under the AIP and the performance share awards for any given period, the costs, sales and impact on assets and liabilities from acquisitions are excluded in the year that the acquisition is completed. The Committee also makes other adjustments from time to time for special items that it believes are unrelated to the operational performance of the Company for the relevant measurement period (e.g., changes in tax laws or accounting principles, asset write-downs, the impact of restructurings, divestitures, or asset sales, unusual tax transactions, litigation or claim judgments and settlements, and other special items described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual/quarterly report to shareholders for the applicable period). These adjustments can have either a positive or negative impact on award payouts.

⁽³⁾ For the Company's CEO, the Committee chose to deliver 50 percent of the target grant value of his 2023 annual long-term incentive awards in the form of performance shares and the remaining 50 percent in the form of stock options. Each of the Company's other executives was given an opportunity to indicate a preference to receive 50 percent of the target grant value of their annual long-term incentive awards in the form of RSUs, stock options, or an equal split of both stock options and RSUs. Regardless of an executive's indicated preference, the remaining 50 percent of the target grant value of his or her 2023 annual long-term incentive awards was delivered in the form of performance shares. The percentages shown reflect the apportionment of stock options and RSUs based on the Named Executive Officer's 2023 elections (other than our CEO, who was not offered an opportunity to make an election).

Paying for performance

A primary objective of our incentive compensation program is to align our Named Executive Officers' real pay delivery with performance. The Company's performance directly impacted incentive compensation pay outcomes for our Named Executive Officers as discussed below.

Consistent with the Committee's preestablished exclusions policy⁽¹⁾, which is aligned with our non-GAAP adjusted operating income disclosure in our Form 10-K, our 2023 operating income goals and performance results for AIP excluded special items or one-time events that the Committee believes are unrelated to the operational performance of the Company for the relevant measurement period, including the impact of net costs for significant litigation. In approving the incentive program payouts based on 2023 performance, the Committee considered the impact of the litigation charges related to 3M's respirator mask/abestos, PFAS-related environmental, and Combat Arms Drapings matters, recognizing that, as anticipated, they were significantly larger than in prior years. Even while litigation-related actions and expenses may be anticipated, the Committee views such adjustments as appropriate because (as in this case), such expenses do not relate to the Company's core operating performance in 2023 or ongoing business operations, but rather were the result of multi-year lawsuits that stem from events taking place many years, even decades prior, unrelated to decision-making of the current management team. In addition, failure to exclude litigation settlement charges could disincentivize management from settling litigation when it is in the best interests of shareholders but would adversely impact their incentive compensation payouts.

The Committee also took into account its belief that the litigation charges largely were already reflected in the Company's stock price performance, which has significantly impacted our NEOs' realizable compensation for multiple years (for example, realizable compensation for our CEO was 88 percent and 51 percent of his total target compensation on a one- and three-year average basis, respectively), as well as the importance of continuing to appropriately incentivize and retain the executive leadership and broader senior management team to drive the Company's transformation strategy. The Committee believes this approach is balanced, aligned with our shareholder experience, in line with market practice related to adjustment policies for litigation settlement charges, and essential to supporting the Company's value creation strategy and efforts to reduce risk and uncertainty.

⁽¹⁾ Under a preestablished exclusions policy, the Committee may adjust financial performance for purposes of goal setting and/or performance measurement in our incentive plans to exclude the impact of special items or one-time events that it believes are unrelated to the operational performance of the Company for the relevant measurement period (e.g., changes in tax laws or accounting principles, asset write-downs, the impact of restructurings, divestitures, or asset sales, unusual tax transactions, litigation or claim judgments and settlements, and other special items described in management's discussion and analysis of financial conditions and results of operations appearing in the Company's annual/quarterly report to shareholders for the applicable period). These adjustments can have a positive or negative impact on award payouts.

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Executive compensation

2023 annual incentive compensation

For the Named Executive Officers whose 2023 annual incentive compensation payout was calculated based on the Company's overall performance, the payout (before any adjustment for individual performance) was 104.0 percent of the target amount. The payout reflects the Committee's view of our performance against the financial goals established for 2023, as shown below, and its decision not to increase or decrease the payout using the ESG modifier.

After considering the Company's 2023 operating plan, the Committee, in consultation with its independent compensation consultant and following discussions with management of the Company, approved the 2023 financial performance targets for the AIP, as shown below.

- The targets established for the Local Currency Sales and Operating Income metrics were lower than 2022 actual results for these two metrics, reflecting the Company's portfolio management actions, including the Company's decision to exit PFAS manufacturing, the divestiture of the Company's Food Safety business, the deconsolidation of its Aearo subsidiary, the discontinuation of the Company's business in Russia, and the anticipated spin-off of the Company's Health Care business, and the post-COVID reduction in demand for disposable respirators.
- The targets were informed by our operational plan for the year and were intended to be challenging and maintain a similar level of rigor as those established for past years.

Dollar Amounts in Millions

Performance metric	Threshold (\$)	Target (\$)	Maximum (\$)	Actual vs. target	Payout %	Weighting	Weighted payout %
Local Currency Sales vs. Plan	\$1,514			98%	81.3%	50%	40.7%
Operating Income vs. Plan		\$6,374		104%	126.7%	30%	38.0%
Operating Cash Flow Conversion vs. Plan		\$145		104%	126.7%	20%	25.3%
Weighted-average payout percent for total Company performance (before adjustment for individual performance)							104.0%

⁽¹⁾ Results reflect certain adjustments that the Committee believed were appropriate to better reflect the Company's 2023 performance. See Appendix A to this Proxy Statement for a reconciliation of Local Currency Sales, Operating Income and Operating Cash Flow Conversion used for compensation purposes to our results for the most directly comparable financial measures as reported under GAAP.

For more information concerning the calculation of the 2023 annual incentive payout for each Named Executive Officer, including the thresholds, target, and maximum goals and attainments used to calculate the annual incentive payouts of the Named Executive Officers who are paid, in part, based on the performance of a business group, see "2023 AIP attainments and payouts" on page 88.

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Executive compensation

Performance share award payouts and accruals (long-term incentive compensation)

The three-year performance period for the 2021 performance share awards issued to the Named Executive Officers ended on December 31, 2023. Based on the financial results achieved during 2021 – 2023, the Named Executive Officers received 83.8 percent of the target performance shares subject to their 2021 performance share awards. After considering the change in the market value of 3M's common stock over the three-year performance period and the additional cash delivered pursuant to the dividend equivalent rights granted as part of the 2021 performance share awards, the value delivered to the Named Executive Officers in settlement of these awards (determined using the closing price of a share of 3M common stock on the NYSE for December 29, 2023) equaled 59.7 percent of the initial target grant value approved by the Committee.

When evaluating the payouts for these awards against the Company's performance, it is important to keep in mind the weightings applied to each year (2021 – 50 percent; 2022 – 30 percent; and 2023 – 20 percent) and each metric (Relative Organic Volume Growth – 40 percent; Return on Invested Capital – 20 percent; Adjusted Earnings per Share Growth – 20 percent; and Free Cash Flow Conversion – 20 percent). As illustrated in the charts below, the payout of 2021 performance share awards reflects the mixed results achieved during the performance period.

2021 performance share award results (2021-2023 performance period)

	Performance levels	Payout level (% of target)	Performance year and weighting	Actual result*	Actual payout (% of target)
Adjusted Earnings per Share Growth	Threshold**	4.0%	Year 1 – 50%	14.4%	20.0%
	Target	8.0%	Year 2 – 30%	-0.2%	—%
	Maximum	12.0%	Year 3 – 20%	-6.5%	—%
Relative Organic Volume Growth	Threshold**	-1.0%	Year 1 – 50%	0.5%	20.0%
	Target	0.5%	Year 2 – 30%	-7.1%	—%
	Maximum	2.0%	Year 3 – 20%	-7.3%	—%
Return on Invested Capital	Threshold**	16.0%	Year 1 – 50%	19.5%	16.0%
	Target	18.0%	Year 2 – 30%	18.4%	6.8%
	Maximum	21.0%	Year 3 – 20%	16.9%	2.2%
Free Cash Flow Conversion	Threshold**	95.0%	Year 1 – 50%	100.9%	11.8%
	Target	100.0%	Year 2 – 30%	81.8%	8.0%
	Maximum	105.0%	Year 3 – 20%	122.9%	8.0%
			Total		83.8%

⁽¹⁾ Results reflect certain adjustments that the Committee believed were appropriate to better reflect the Company's performance during the performance period. See Appendix A to this Proxy Statement for a reconciliation of Adjusted Earnings per Share, Return on Invested Capital, Free Cash Flow, and Free Cash Flow Conversion used for compensation purposes to our results for the most directly comparable financial measures as reported under GAAP.

** No payout is provided for below threshold performance.

The Company's 2023 performance will also impact the payouts of the 2022 performance share awards and 2023 performance share awards, where the weighting of 2023 performance is 30 percent and 50 percent, respectively. To illustrate this point, the charts below show the percent of target performance shares accrued each year during the relevant performance period based on the Company's performance.

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Key Examples

Combined Presentation

Walmart 2024 Proxy Statement



Combined presentation of performance metrics, goals and performance

4 Fiscal 2024 Performance Metrics

What performance metrics are used in our incentive programs, and why did the CHDC select these metrics?

Our NEOs' performance-based pay for fiscal 2024 was based on achieving objective, pre-established financial goals for the following metrics¹:

Annual cash incentive

Long-term performance equity

¹ For purposes of our incentive programs, total company and international sales, operating income, and ROIC are calculated on a constant currency basis and exclude certain items, such as revenue from full sales and from C&A (see notes below) for more information.

The CHDC concluded that the metrics distribution above aligned with our large enterprise strategy and effective in driving results tied to shareholder value. In reaching this conclusion, the CHDC considered the following factors:

- These performance metrics are aligned with our enterprise strategy and can be impacted by our executives. Unlike metrics such as stock price or shareholder return, the decisions and actions of our executives can have a direct impact on our sales, operating income, and ROIC. Furthermore, unlike earnings per share and other share-based metrics, sales, operating income, and ROIC are not materially impacted by share repurchases.
- These metrics are important for evaluating retail performance. Growth metrics such as sales and return metrics such as operating income and ROIC historically have been, and continue to be, important indicators of retail performance, and we believe that our performance on these metrics is important to our shareholders.
- The CHDC believes that success with respect to these metrics will support shareholder value and facilitate our strategic transformation over the long term. We believe that strong performance with respect to these key on-site/retail metrics should translate into shareholder value creation over time.
- The CHDC does not believe that relative TSR and other relative performance metrics are the best way to incentivize our executives. There are several key differences in our business compared to other publicly traded retailers in the U.S., including our size, our significant international operations, our product mix, our variety of formats, our growing eCommerce and same-store sales, and our new and emerging business lines such as pharmacy, marketplace, fulfillment, healthcare, and financial services. While the CHDC closely monitors Walmart's performance relative to that of our peers when making compensation decisions, the CHDC believes that the best approach for Walmart is to tie our executive compensation to performance metrics that are aligned with our strategy and operating plans and that provide clear line of sight to our leaders. Additionally, because a significant portion of TSR is the result of equity awarded to our stock over a three-year period and our executives are subject to robust stock ownership guidelines, our NEOs' realized compensation is significantly impacted by our stock price performance. Therefore, the CHDC believes that our executive interests are appropriately aligned with the interests of our shareholders.

Whether that performance goal easier to be effective both in meeting performance? The goals either become unrealistic or too easy to achieve due to macroeconomic factors beyond the control of our executives or due to changes in our strategy and related investments.

Our annual goals are aligned with our long-term plan. Our annual incentive goals are aligned with our enterprise strategy and expectations regarding financial performance, necessarily change from year-to-year due to changes in our strategy and related investments, and other factors. The CHDC believes that conducting a year-to-year performance review approach effectively balances long-term focus with clear, understandable, and achievable goals for our long-term performance and overall success.

Shareholder value is the most effective in incentivizing performance. For example, (1) a significant increase in stock price, (2) a significant increase in shareholder return, (3) a significant increase in the value of our performance equity, (4) a significant increase in the value of our performance equity program as a result of outstanding performance, (5) and returns are appropriately balanced.

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Performance Goals and Performance

Constant currency sales (excluding certain items)*

Year	Hold (%)	Target (100%)	Max (125%)	Actual
2022	882	\$605,753	\$616,530	Actual: \$622,591
2023	799	\$424,763	\$432,324	Actual: \$437,165
2024	1,163	\$107,202	\$109,110	Actual: \$111,715

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Year	Hold (%)	Target (100%)	Max (125%)	Actual
2022	820	\$605,753	\$616,530	Actual: \$622,591
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Key Examples

Short-Term Incentive

Walgreens Boots Alliance 2024 Proxy Statement

Includes math calculation boxes, rationale for metrics, tabular presentation of results

Executive compensation

2023 Annual cash incentive payments

For fiscal 2023, substantially all of our senior executives (including our NEOs other than Mr. Pesina) were eligible to receive an annual cash incentive payment through the MP. The MP rewards executives for achieving key financial and non-financial goals across the Company (including segment and individual levels) and is intended to align our senior executives' interests directly with our financial goals and leadership behaviors. Under the terms of the MP, participants were eligible for a formulaic payout, based on their target bonus opportunity and the achievement of the pre-established performance goals. In addition, the MP includes an individual performance factor which could result in an incremental increase of the formulaic payout by up to 20% or decrease of as much as 100%, based on a participant's individual performance to allow for the differentiation in payouts based on an assessment of individual performance against broader Company performance goals and objectives. The CLP Committee retains discretion to reduce the formulaic payout if it deems appropriate to reflect Company performance or other factors considered relevant by the CLP Committee. For fiscal 2023, the MP for Mr. Brewer, Mr. Barra, Mr. Kahoe and Mr. Mahajan was primarily based on WBA financial performance and the MP for Mr. Driscoll was primarily based on the financial performance of the U.S. Healthcare segment, as described in more detail below.

For fiscal 2023, the target cash incentive opportunity for each of the NEOs who participated in the MP was set after considering market practices for each specific role, among other factors. Target percentages were unchanged from fiscal 2022 for the participating NEOs, other than Mr. Driscoll, whose target bonus of 125% of salary was established in October 2022 as of the commencement of the position with the Company, which was an increase from his prior target bonus of 100% of salary while at CareCentrix.

Name	2023 Target Bonus (% of Salary)
Stefano Pesina	200%
Resalind G. Brewer	200%
Masroob Mahajan	170%
Ornella Barra	125%
John Driscoll	125%
James Kahoe	125%

WBA performance

For the participating NEOs other than Mr. Driscoll, annual cash incentive payments were calculated based on the Company's consolidated performance, as set forth below. The CLP Committee believes that aligning the participating NEOs (other than Mr. Driscoll) with Company-wide goals reinforces the need for collaboration among those executives.

Executive Compensation Metric	Weight	Performance Metric	Weight
Excess Base Salary	30%	Target Short-Term Incentive Opportunity %	30%
Determined by reviewing:		Established using:	
• Internal and market-based peer group benchmarks		• Market-based peer group benchmarks	
• Individual performance		• Internal calibration	
		Adjusted Operating Income (65%)	35%
		Free Cash Flow (35%)	35%
		Health Equity (10%)	10%

Final Cash Incentive Award Amount

Below the exercise of any negative discretion by the CLP Committee to reduce the formulaic payout to reflect Company performance or other factors, the maximum amount payable to the CLP Committee.

Executive compensation

The following tables set forth the threshold, target and maximum goals, as well as actual results, under the Company-wide MP.

	Adjusted Operating Income (\$ in millions)	Free Cash Flow (\$ in millions)	Health Equity ¹⁾
Threshold	\$4,120	\$1,688	
Target	\$4,854	\$2,426	
Maximum	\$5,587	\$3,164	See details below
Actual	\$4,054	\$1,179	
% of Target	87%	40%	
% Payout ²⁾	65%	20%	10%
Target O/I	0%	0%	0%

Executive compensation

The following tables set forth the threshold, target and maximum goals, as well as actual results, for the U.S. Healthcare segment or fiscal 2023:

	Revenue (\$ in millions)	Adjusted Operating Income (\$ in millions)	Health Equity
Threshold	\$4,735	(\$278)	
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Maximum	\$5,787	(\$279)	See details below
Actual	\$4,674	(\$366)	
% Achievement	98%	Below Threshold	
% Payout	6%	2%	10%
Metric Weighting	65%	2%	10%
Total Weighted Payout ³⁾	0%	0%	0%

Executive compensation

The following tables set forth the threshold, target and maximum goals, as well as actual results, under the Company-wide MP.

Executive compensation

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Key Examples

Altria 2024 Proxy Statement

Includes math boxes, slide bar results, infographic describing strategic initiative and results, and discussion of DEI metrics

2023 Executive Compensation Program Decisions
Changes to CEO's Target Short-term and Long-term Incentives
 After conducting its annual CEO compensation benchmarking analysis, the Committee made the following changes to our 2023 compensation program for bands A (which currently includes only our CEO) to better align our short-term and long-term compensation elements with those of our CSG:

- Increased the Annual Incentive Award target from 150% to 165% of salary beginning with the 2023 Annual Incentive Award;
- Increased the annual equity award target from \$5.4 million to \$6.0 million;
- Increased the percentage of performance-based PSUs for annual equity awards from 40% PSUs to 50% PSUs, with the other 50% delivered as RSUs; and
- Increased the three-year cash-based LTIP award target from 250% to 260% of salary.

Additionally, the Committee lowered the annual personal aircraft usage allowance from \$25,000 to \$10,000.

Annual Compensation
Salary
 The Committee considers several factors when reviewing and setting salaries for our NEOs, including each executive's individual performance, level of responsibility and experience, the relationship between salaries paid to other Altria executives and the position of the executive's salary within the applicable salary range. Additionally, the Committee annually compares the salaries of our NEOs to others holding comparable positions at our CSG companies. The Committee analyzes all these factors in the aggregate in determining NEO salaries.

Salaries are relevant in establishing annual and, for executives in bands A and B, long-term cash incentive award targets, and factor into retirement, group life insurance and certain other benefits available to all salaried employees. The Committee reviews salaries for our NEOs other than our CEO on an annual basis and reviews our CEO's salary approximately every two years. Generally, any adjustments are effective March 1.

The Committee increased the salaries of our NEOs based on the criteria noted above as follows:

2023 Salary Changes

Name	Band	2023 Salary Range		2023 Salary		2022 Salary		Increase (%)
		Minimum (\$)	Maximum (\$)	(\$)	(\$)	(\$)	(\$)	
William F. Gifford, Jr.	A	910,000	2,090,000	1,350,000	1,350,000	—	—	—
Salvatore Mancuso II	B	501,700	1,153,900	709,900	766,600	8.0	—	—
Murray R. Ciarnicki	B	501,700	1,153,900	961,600	1,001,000	4.1	—	—
Jody L. Begley	B	501,700	1,153,900	721,400	758,900	5.2	—	—
Heather A. Newman	C	408,800	940,200	600,000	639,600	6.6	—	—

(*) As part of the annual salary review, Mr. Mancuso's salary was increased to \$746,600 effective March 1, 2023. In October 2023, the Committee reassessed the market for Mr. Mancuso's position and further increased his salary to \$766,600 effective November 1, 2023.

Annual Incentive Awards
 The Annual Incentive Award plan is a cash-based, pay-for-performance plan for salaried employees, including our NEOs. Participants have an annual award target based on salary band and expressed as a percentage of salary. The Committee annually reviews our benchmarking data, establishes award targets and reviews and approves any target changes for employees in salary band 1 and above. Annual incentive awards are paid only after both business and individual results are assessed against targeted levels of performance. No individual is guaranteed an award. In the event of a salary band change during the performance cycle, award targets are adjusted on a prorated basis. Each of our NEOs remained in their same salary band during 2023.

EXECUTIVE COMPENSATION

The following formula was the basis for determining awards under the 2023 Annual Incentive Award plan:

$$\text{Salary} \times \text{Target (\% of salary)} \times \text{Adjusted Discretionary Cash Flow (25\%)} \times \text{Individual Performance Multiplier} = \text{Annual Incentive Award}$$

Business Performance Rating
 Adjusted Diluted EPS (30%)
 Total Adjusted OCI (30%)
 Strategic Initiatives (15%)

At the conclusion of each year, the Committee reviews Altria's performance against financial measures and strategic initiatives and assigns a rating from 0% to 130%. For 2023, the Committee identified (1) adjusted diluted EPS, (2) adjusted discretionary cash flow and (3) total adjusted OCI as the financial measures for determining awards under the Annual Incentive Award plan because it believes that these measures align with our financial goals and the interests of our shareholders.

In determining Altria's performance in 2023 against these measures, the Committee considered the following:

Annual Incentive Award Measures (\$ in millions, except per share data)

Measure	Result	Rating	Weighting	Weighted Rating
Adjusted Diluted EPS ⁽¹⁾	Result \$4.85 (Rating 100.0%)	100%	30%	30.00%
Adjusted Discretionary Cash Flow ⁽¹⁾	Result \$6.92 (Rating 112.2%)	112.2%	25%	28.05%
Total Adjusted OCI ⁽¹⁾	Result \$12.358 (Rating 77.9%)	77.9%	30%	23.34%
Strategic Initiatives	Result 16.6 (Rating 115%)	115%	15%	16.50%
2023 Annual Incentive Award Rating (rounded)				98%

(1) Adjusted diluted EPS, adjusted discretionary cash flow and total adjusted OCI are non-GAAP financial measures. See Exhibit A to this Proxy Statement for information regarding non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

EXECUTIVE COMPENSATION

The 2023 strategic initiatives against which the Committee evaluated Altria's performance, as shown above, were designed to promote our long-term success. These initiatives and results are below:

Strategic Initiative

- Attract, develop and deploy the talent needed to achieve our Vision and foster an exceptional employee experience that causes our organization to thrive.
- Maximize the long-term profitability of our cigarette, cigar and moist smokeless tobacco ("MSST") businesses while proactively shifting resources to fund investment and accelerate growth in a smoke-free future.
- Reinvent how we engage our adult tobacco consumers and customers and empower our employees with data and technology to drive productivity and top-line growth.
- Move toward a smoke-free future by delivering superior, innovative and FDA-authorized nicotine products while fostering an environment conducive to tobacco harm reduction through science and advocacy that promotes equitable adult smoker transition.
- Establish a consumer-centric adjacency growth system to enable value creation through investments, partnerships and rapid test-and-learn.

Result

- We met expectations as we continued to achieve above-benchmark employee engagement scores; attracted critical talent to fill key roles to help achieve our Vision; and made continued progress in building an inclusive and equitable culture and addressing potential barriers to equal opportunity. In addition, we achieved a Great Place to WorkSM certification for the fourth consecutive year and were awarded a 100% rating in the 2023 Human Rights Campaign Corporate Equality Index. We enhanced internal communications to drive clarity and alignment for our employees and build confidence in our future. We established a strategic workforce plan to accelerate readiness for potential PMTAs. We improved how employees use technology to communicate, collaborate, work productively and engage with each other, while enabling greater flexibility.
- We met expectations in a challenging environment as we enhanced programs to deepen connections with adult tobacco consumers, increase investment efficiency and accelerate awareness of smoke-free products. We streamlined our traditional product portfolio while continuing to protect it from unreasonable regulation through public policy and engagement. We maximized our supply chain and manufacturing infrastructure for the future.
- We exceeded expectations as we optimized our supply chain and operations through data, technology and ways of working to be best in class. We expanded advanced analytics value creation across the enterprise with focus on enterprise data strategy, supply chain, marketing mix and personalized value delivery. We innovated with customers to solidify long-term trade partnerships through digital value, personalization and retail campaigns. We drove end-to-end integrated digital consumer experiences through data analytics and segmentation to enhance marketing effectiveness.
- We exceeded expectations as we developed a portfolio of innovative shishable products, including through the NJOY transaction, to help us achieve a leadership position. We also advanced a portfolio of innovative oral products that we believe will achieve a leadership position following FDA authorization. We received the first Modified Risk Tobacco Product Authorization from the FDA for an MST product. We opened and enhanced the established system and advanced innovation system to potentially reduced-risk nicotine products that facilitates a consumer-based strategy to transition adult smokers by investing in, and activating against, foundational science and consumer insights. We evolved the marketing system to accelerate marketing effectiveness and long-term adult smoker transition potential. We led the industry in engaging with policymakers to adopt harm reduction, not prohibition, as the proper framework for tobacco regulation in the U.S.
- We met expectations as we expanded the venture growth framework beyond cannabis to support a long-term adjacency growth system. We supported long-term adjacency exploration through consumer research, product evaluation, brand insights and third-party engagement. We built and expanded infrastructure to identify, evaluate and govern adjacent strategic opportunities. We executed an international learning plan.

EXECUTIVE COMPENSATION

Consideration of ID&E
 As part of our ID&E efforts and to drive accountability for cultural fluency among people leaders, our NEOs, along with people leaders, were assessed individual ID&E ratings as part of the 2023 performance management process. A rating of at least Ally or Advocate was required to receive our highest individual performance rating for purposes of the Annual Incentive Award formula.

ID&E Rating	Descriptor
Advocate	Proactively leads change to create a more equitable and inclusive environment, and helps others deepen their advocacy.
Ally	Supports change to advance ID&E.
Aware	Recognizes the need for change to advance ID&E.
Inactive	Does not demonstrate support for change to advance ID&E.

The Committee used the Annual Incentive Award business performance rating, together with the individual performance of the NEOs, in determining the 2023 awards below. See "2023 Performance of NEOs" beginning on page 28.

2023 Annual Incentive Award Target Percentages, Award Ranges and Actual Awards

Name	Band	Salary (\$)	Target (%)	Target Award ⁽¹⁾ (\$)	Business Performance Rating ⁽²⁾ (%)	Individual Performance Multiplier ⁽³⁾ (%)	Actual Award for 2023 Performance ⁽⁴⁾ (\$)	(% of target)
William F. Gifford, Jr.	A	1,350,000	165	2,227,500	98	125	2,730,000	123
Salvatore Mancuso II	B	766,600	95	728,460	98	110	821,000	113
Murray R. Ciarnicki	B	1,001,000	95	950,950	98	115	1,071,700	113
Jody L. Begley	B	758,900	95	720,955	98	115	812,500	113
Heather A. Newman	C	639,600	80	511,680	98	130	657,900	127

(1) Assumes 100% business and individual performance.
 (2) The business performance rating can range from 0% to 130%.
 (3) The individual performance multipliers for our NEOs other than the CEO are based on individual performance on a five-point scale and can range from 0% to 150%. The individual performance multiplier for our CEO is determined at the Committee's discretion and can range from 0% to 175%.
 (4) Long-Term Incentive Compensation

We award long-term incentives to executive officers through a combination of equity awards and performance-based cash incentive awards under the LTIP. For equity awards, our CEO received a mix of 50% RSUs and 50% PSUs and our other NEOs received a mix of 60% RSUs and 40% PSUs. Together, PSUs and the LTIP are targeted to deliver 70% of our CEO's and 64% of our NEOs' target long-term incentives through performance-based elements, with the remainder comprised of time-based RSUs.

Target Long-Term Incentive Mix⁽¹⁾

CEO	LTIP (Cash) 40%	Equity (PSUs) 30%	Equity (RSUs) 30%
Other NEOs	LTIP (Cash) 40%	Equity (PSUs) 24%	Equity (RSUs) 36%

(1) This chart reflects target awards under the 2023 - 2025 LTIP performance cycle and target equity awards granted in 2023.



Key Examples

Lowe's 2024 Proxy Statement

Includes math boxes, slide bar results, and expanded discussion of goal setting considerations

Compensation Discussion and Analysis
2023 COMPENSATION ACTIONS

IV. 2023 COMPENSATION ACTIONS

Base Salary Adjustments

The Compensation Committee reviews and adjusts the NEO base salaries each year after it has considered competitive benchmark and relative performance positioning, which includes consideration of:

- Market adjustments;
- Internal alignment;
- Experience in the role; and
- Performance and any changes to roles or responsibilities.

As a result of the review and consideration of the above factors, Messrs. Sink, McFarland and Boltz received salary increases of between 3.0%-4.0% for 2023 as set forth in the table below. The Compensation Committee approved a base salary of \$740,000 in connection with hiring Ms. Pryor as Executive Vice President, Chief Legal Officer and Corporate Secretary, which was prorated for the year based on her May 3, 2023 start date.

In 2023, the Compensation Committee approved the following base salaries for the NEOs:

Name and Position	2022 Base Salary	2023 Base Salary	% Increase
Marvin R. Ellison Chairman, President and Chief Executive Officer	\$1,450,000	\$1,450,000	0.0%
Brandon J. Sink Executive Vice President, Chief Financial Officer	\$ 700,000	\$ 721,000	3.0%
Joseph M. McFarland III Executive Vice President, Stores	\$ 830,000	\$ 860,400	3.5%
William P. Boltz Executive Vice President, Merchandising	\$ 811,900	\$ 844,400	4.0%
Juliette W. Pryor Executive Vice President, Chief Legal Officer and Corporate Secretary	—	\$ 740,000	—

Annual Incentive Awards

Our annual incentive plan provides each NEO the opportunity to receive an annual cash award based on the Company's achievement of pre-determined financial and strategic performance goals. The formula for computing annual incentive payouts is as follows:

BASE SALARY

Base salary eligible earnings in fiscal year 2023 with 2022 and 2023 base salaries prorated for the number of days in the fiscal year prior to and following the March 2023 effective date for 2023 base salary adjustments

X

TARGET AWARD PERCENTAGE (% of Base Salary)

- 200% of base salary for the CEO
- 100% of base salary for other NEOs

X

PERFORMANCE GOAL ACHIEVEMENT LEVEL (% of Target Level)

- Threshold percentage for all NEOs was 25% of target
- Maximum opportunity of 200% of target for all performance metrics

=

ANNUAL INCENTIVE AWARD EARNED



Compensation Discussion and Analysis
2023 COMPENSATION ACTIONS

The following table describes the financial and strategic goals for the 2023 annual incentive awards and the weighting assigned to each goal, which are the same for all of the NEOs:

Performance Metric	Description	Performance Measured By	Metric Weighting
Financial Goals	Sales	Rewards NEOs an effective merchandising, driving market share gains and the enhancement of the Company's omnichannel sales and marketing	40%
	Operating Income	Rewards NEOs for profitability of Company operations and focuses management on operational efficiency and expense management	40%
Strategic Goals	Inventory Turnover	Rewards NEOs for focusing on improving inventory management, which generates cash flow for investing in the business and returning value to shareholders	10%
	Pro Sales Growth	Rewards NEOs for focusing on growing Pro market share, which drives long-term sustainable sales growth and profitability for the business	10%

The financial metrics currently utilized in our annual incentive awards have remained consistent for the past several years, as they remain key performance measures that our Board and management focus on. Other metrics within the annual incentive awards have evolved over time, as the Compensation Committee has sought to align the program with updates to our strategic priorities and to reflect feedback from our shareholders.

For fiscal 2023, the Compensation Committee:

- Approved the terms for our annual incentive awards, maintaining the same performance metrics and weightings used in 2022, which the Compensation Committee determined continue to align with the Company's strategic growth priorities; and
- Removed the 250% maximum plus payout performance opportunity for sales and operating income metrics, which had been adopted solely for the fiscal 2022 annual incentive award, setting maximum payout at 200% of target.



Compensation Discussion and Analysis
2023 COMPENSATION ACTIONS

The Compensation Committee determines annual incentive plan performance goals after the Company reports earnings for the prior fiscal year and establishes goals that:

- Are sufficiently rigorous based on the Company's strategy, annual internal operating plan and financial guidance provided to investors for the upcoming fiscal year;
- Appropriately consider both prior year performance and the potential impact of the macroeconomic environment on future business conditions for the Company; and
- Motivate management to create sustainable shareholder value, both during the performance period and over the long term.

The Compensation Committee's objectives in administering our annual incentive plan are to cause incentive awards to be calculated on a comparable basis from year-to-year and to ensure that plan participants are incentivized and rewarded appropriately for Company performance. For these reasons, the Compensation Committee may make adjustments to the achievement under each performance goal at its discretion and has adopted adjustment guidelines. The adjustment guidelines provide the Committee flexibility to approve adjustments to incentive plan compensation in certain circumstances, including adjustments to account for (i) amounts required to be reported separately under applicable accounting standards as extraordinary items, (ii) gains or losses as a result of changes in accounting principles, (iii) impact of changes in tax regulations, (iv) business results from unplanned acquisitions and divestitures, (v) costs and any other non-recurring items related to acquisition and divestiture activity, (vi) unplanned debt restructuring costs or costs associated with change in capital structure, (vii) costs of significant unplanned initiatives or investments and (viii) significant changes to stock buyback programs or capital restructuring.

The guidelines also provide that adjustments may be made in certain cases depending on the relevant facts and circumstances to account for: (i) impact of foreign currency fluctuations, (ii) impact of tariffs and unanticipated regulatory and policy changes, (iii) asset impairments or write-offs, including store closing costs, (iv) restructuring costs, (v) litigation costs and settlements for historical transactions, (vi) timing impact for items accelerated or delayed near year-end, (vii) acts of God and (viii) impact of global pandemics and public health emergencies.

In March 2024, the Compensation Committee reviewed the Company's 2023 performance results relative to the goals to determine the annual incentive awards earned under the annual incentive plan for fiscal year 2023. The Company's 2023 performance results were between threshold and target performance levels for all four metrics. Consistent with the adjustment guidelines' provisions for non-recurring items related to divestitures, the Compensation Committee determined to exclude a \$63 million gain in the first quarter of fiscal 2023 associated with the Company's sale of its Canadian retail business for purposes of determining operating income performance. This adjustment had the overall effect of modestly reducing the achievement result for operating income performance and thus, the overall payout for this year.



Compensation Discussion and Analysis
2023 COMPENSATION ACTIONS

Based on the performance metrics established by the Compensation Committee and the Compensation Committee's assessment of the Company's 2023 performance, the Compensation Committee determined that Lowe's achieved 62.97% of the target incentive opportunities for the NEOs.

Performance Metric (Weighted %)	Below Threshold	Threshold	Target	Maximum	Achievement Result
Sales (40%)	0%	\$84,170	\$88,400	\$93,030	62%
Operating Income (40%)		\$10,848	\$13,000	\$15,014	65%
Inventory Turnover (10%)		2.87	3.20	3.64	77%
Pro Sales Growth (10%)		0.0%	2.0%	16.0%	41%
Overall Payout Result			62.97%		

Overall Payout Result: 62.97%

Based on results of the performance metrics approved by the Compensation Committee, the NEOs earned annual incentive awards for 2023 as follows:

Name	Base Salary ⁽¹⁾	Target Award % (% of Base Salary)	Performance Goal Achievement Level (% of Target)	Annual Award Earned
Marvin R. Ellison	\$1,450,000	200%	42.97%	\$1,814,130
Brandon J. Sink	\$ 718,937	100%	42.97%	\$ 442,488
Joseph M. McFarland III	\$ 837,354	100%	42.97%	\$ 540,094
William P. Boltz	\$ 840,400	100%	42.97%	\$ 539,357
Juliette W. Pryor	\$ 541,099	100%	42.97%	\$ 352,324

(1) Based on base salary eligible earnings in fiscal year 2022 with 2022 and 2023 base salaries prorated for the number of days in the fiscal year prior to and following the March 2023 effective date for 2023 base salary adjustments. Ms. Pryor's base salary was prorated based on her May 3, 2023 start date.





Key Examples

Kraft Heinz 2024 Proxy Statement

Includes math boxes, tabular presentations of results and concise overview of contributing factors in determination of individual performance score

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Annual Cash-Based Performance Bonus Plan (PBP)

The PBP is designed to motivate and reward employees who contribute positively toward our near-term business strategy and achieve their annual individual performance objectives. The formula for determining a PBP participant's annual bonus payout is:

$$\text{BASE SALARY FOR PBP PAYOUT} \times \text{TARGET AWARD OPPORTUNITY} \times \text{COMPANY FINANCIAL MULTIPLIER} \times \text{INDIVIDUAL PERFORMANCE SCORE} = \text{PBP PAYOUT EARNED}$$

Base Salary

For purposes of PBP payout, we calculate base salary by averaging an employee's annual salary as of the 15th day of each month. For any new hires or changes in salary during the fiscal year, we prorate the base salary amount based upon the duration of the individual's service or timing of changes.

Target Award Opportunity

We establish a target award opportunity for each NEO prior to the beginning of each year, or upon their hire or establishment of increased responsibilities or changes in role, set as a percentage of the NEO's annual base salary. When establishing the target award opportunity, we consider the overall design of the PBP plan compared to peers, including the ambitious nature of the performance targets set versus the strategic plan, the maximum payout opportunity available under the plan, and the balance of the compensation components in the NEO's total direct compensation relative to market.

The target award opportunity for each of our NEOs as of December 31 was:

NEO	2023 Target Award Opportunity	2024 Target Award Opportunity	Change
Mr. Maciel	300%	300%	—
Mr. Maciel ^(a)	175%	200%	14.30%
Mr. Abrams-Rivera	225%	225%	—
Ms. La Lande	150%	150%	—
Mr. Oliveira	225%	225%	—

(a) In making its decision to increase Mr. Maciel's PBP target award opportunity, the Compensation Committee assessed Mr. Maciel's performance, knowledge, and skills and the breadth and impact his accountability and his duties as Executive Vice President and Global Chief Financial Officer and considered related market data provided by the Compensation Consultant and management.

Company Financial Multiplier

The financial multiplier is a percentage multiplier based upon achievement of the threshold, target, or maximum level of the applicable global, zone, or business unit financial performance metric for each executive, including our NEOs. For our 2023 fiscal year, the Compensation Committee chose a single metric, PBP EBITDA, for our global financial performance as well as each zone and business unit. The financial performance multiplier ranges from 50% at threshold, to 100% at target, and 120% at maximum based on achievement against the established financial performance targets. Our maximum payout opportunity of 120% is designed to be below market practice (which market practice generally provides for payout up to 200% of target).

We believe that PBP EBITDA reflects key aspects of our performance, including revenue growth, expense control, and efficient use of capital, while maintaining simplicity in the design and execution of our annual cash-based performance bonus plan. The Compensation Committee believes PBP EBITDA appropriately reflects our focus on successful management of our core operations—growing our business and driving sustained increases in profit—in turn, aligning the interests of our NEOs with those of our stockholders. PBP EBITDA is defined below under Financial Measure.

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For 2023, the Compensation Committee approved the financial multiplier for performance achieved as follows:

	GLOBAL		NORTH AMERICA ZONE		INTERNATIONAL ZONE	
	Patricio, Maciel, La Lande	Abrams-Rivera	Patricio, Maciel, La Lande	Abrams-Rivera	Patricio, Maciel, La Lande	Abrams-Rivera
Threshold	5,610	50%	5,018	50%	938	50%
Target	6,036	100%	5,278	100%	1,053	100%
Maximum	6,221	120%	5,519	120%	1,096	120%
ACHIEVED	6,289	120%	5,600	120%	1,077	110%

For employees evaluated based upon our global performance, the 2023 financial multiplier was calculated based upon our global PBP EBITDA. For employees evaluated based upon our North America Zone or International Zone performance, the total 2023 financial multiplier was calculated based upon a weighted average of 30% of the global PBP EBITDA financial multiplier and 70% of the applicable zone PBP EBITDA financial multiplier. Based on performance achieved against targets, the Compensation Committee approved the financial multiplier with respect to global, North America Zone, and International Zone performance achieved.

Financial Measure

PBP EBITDA is defined as net income (loss) from continuing operations before interest expense, other expense (income), provision for (benefit from) income taxes, and depreciation and amortization (excluding restructuring activities). In addition to these adjustments, we exclude, when they occur, the impacts of foreign currency fluctuations by maintaining the exchange rates established in our Annual Operating Plan ("AOP"), restructuring activities, deal costs, unrealized losses/gains on commodity hedges, impairment losses, equity award compensation expense (excluding restructuring activities), higher or lower incentive compensation compared with what we established in our AOP, the impacts of divestiture-related license income, and certain non-routine course legal and regulatory matters. We may adjust the threshold, target, and maximum metrics to incorporate the impact of acquisitions and divestitures. We did not adjust the threshold, target, and maximum for 2023.

Individual Performance Score

The foundation of each employee's individual performance score is our Management by Objectives ("MBO") process. At the beginning of each year, the Compensation Committee establishes a series of individual performance goals, or MBOs, that are based upon our corporate strategy, which are then cascaded throughout the organization. First, the Compensation Committee establishes MBOs for our CEO. Then, in consultation with the Compensation Committee, the CEO establishes corresponding MBOs for each of his direct reports, including the NEOs, which are further cascaded down throughout the organization. This cascading process enables us to drive initiatives by aligning individual employee goals throughout the organization.

Each NEO has an MBO comprised of multiple goals or objectives. For each goal, there are one or more key performance indicators (KPIs), which are the quantitative or qualitative metrics used to track achievement of the goal. The individual performance multiplier ranges from 10% at threshold, to 100% at target, and 120% at maximum based on the level of achievement against the established individual performance targets.

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For 2023, the MBO goals for each of the NEOs and the overall performance described by the Compensation Committee for each NEO based on their performance were:

NEO	MBO Goals	Key Performance Indicators (KPIs)	Weight (%)	Individual Performance Score
Mr. Patricio	<ul style="list-style-type: none"> Deliver Kraft Heinz Financial Results Generate Long Term Sustainable Growth 	Achievement in global PBP Adjusted Gross Profit Margin	20	85%
		Achievement of global market share	20	
		Achievement of marketing innovation	15	
Mr. Maciel	<ul style="list-style-type: none"> Deliver Kraft Heinz Financial Results Generate Long Term Sustainable Growth 	Achievement in global PBP Adjusted Gross Profit Margin	20	87%
		Achievement of global market share	20	
		Achievement of portfolio transformation	20	
Mr. Abrams-Rivera	<ul style="list-style-type: none"> Deliver Kraft Heinz Financial Results Generate Long Term Sustainable Growth 	Achievement in global PBP Adjusted Gross Profit Margin	20	87%
		Achievement of global market share	20	
		Achievement of North America Zone Free Cash Flow Conversion	15	
Ms. La Lande	<ul style="list-style-type: none"> Deliver Kraft Heinz Financial Results Generate Long Term Sustainable Growth 	Achievement in global PBP Adjusted Gross Profit Margin	20	89%
		Achievement of global market share	20	
		Achievement of ESG initiatives	20	
Mr. Oliveira	<ul style="list-style-type: none"> Deliver Kraft Heinz Financial Results Generate Long Term Sustainable Growth 	Achievement in global PBP Adjusted Gross Profit Margin	20	91%
		Achievement of global market share	20	
		Achievement of International Zone ESG goals	15	

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PBP Payout Earned

In our 2023 fiscal year, the Compensation Committee approved the following PBP payouts earned for each of our NEOs:

Name	Base Salary for PBP Calculation (\$)	Target Award Opportunity (%)	Financial Multiplier (%)	Individual Performance Score (%)	PBP Payout Earned ^(d) (\$)
Mr. Patricio	1,100,000	300	120	85	3,267,980
Mr. Maciel ^(b)	712,500	196.2	130	87	1,466,874
Mr. Abrams-Rivera	800,000	225	120	87	2,257,373
Ms. La Lande	700,000	150	120	89	1,122,660
Mr. Oliveira ^(c)	721,250	225	113.20	91	1,667,099

(d) Payout calculations are interpolated between minimum, target, and maximum.

(b) Mr. Maciel's base salary and target award opportunity by PBP calculation are prorated due to the timing of his compensation changes in February 2023.

(c) Mr. Oliveira's base salary and cash bonus are paid in British pounds (£). The figures in this table reflect the U.S. dollar equivalent of the base salary and PBP payout earned for Mr. Oliveira at the time PBP payout amounts are approved by the Compensation Committee in February 2024 using an exchange rate of £1 to \$1.60.

Bonus Investment Plan

As part of our commitment to fostering an ownership mentality and to align employees' interests with stockholders' interests and drive stockholder value, we offer certain employees, including our NEOs, the opportunity to participate in our voluntary, annual Bonus Investment Plan. Our Bonus Investment Plan plays an important role in aligning our employees' goals with our stockholders', and, through the equity match feature for re-invested compensation, tying short-term compensation with our long-term growth and strategy. It also operates as an employee retention tool since participants must hold their purchased shares for the three-year vesting period of the matching shares. Since the investment opportunity is tied to the level of PBP achievement, participation provides the potential for top quartile total compensation when top quartile relative performance is achieved.

This unique program is designed to drive performance and aligns with our belief in meritocracy and commitment to offering competitive compensation. Under the plan, eligible employees can invest a portion of their earned annual PBP bonus toward the purchase of shares of Company stock ("Investment Shares"). The Company will then grant a matching contribution in the form of Restricted Stock Units ("Matching RSUs") based on a contribution formula. The Matching RSUs will cliff vest three years from the grant date, subject to the employee's continued employment with Kraft Heinz and the retention of the Investment Shares as described below.

To participate in the plan, eligible employees elect to invest 35% of their calculated net bonus, which is the employee's PBP payout earned net of an amount based on a normalized tax rate (based on country of residence), to purchase Investment Shares. The Matching RSUs are calculated as a multiple based on a level of 35% of the gross PBP payout earned.

The number of Investment Shares purchased is calculated as the product of the participant's calculated net bonus and the participant's election percentage, divided by the closing price of our stock on the plan effective date.

$$\text{CALCULATED NET BONUS} \times 35\% = \text{NUMBER OF INVESTMENT SHARES}$$

CLOSING STOCK PRICE

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Starbucks 2024 Proxy Statement

Calculation box plus description and results of sustainability and DEI metrics in short-term incentive plan

Named Executive Officer Base Salary (Annualized Rate)

Named Executive Officer	Fiscal Year 2022	Fiscal Year 2023	% Change
Lexiana Nasrallah	\$1300,000	N/A	N/A
Rachel Ruggieri	\$881,000	\$840,000	6%
Michael Conway	\$981,000	\$928,000	6%
Sara Kelly	\$845,000	\$900,000	9%
Bonifacio L. Lerman	\$790,000	N/A	N/A
Haward Schultz	\$1	\$1	0%

(1) Mr. Nasrallah did not receive a base salary in fiscal year 2023 as his employment did not commence until October 1, 2023, the day immediately preceding the end of fiscal year 2023.
(2) Mr. Lerman did not receive a base salary in fiscal year 2023 as his employment did not commence until April 2023.

Annual Incentive Bonus Plan OVERVIEW

Annual cash incentive awards for the NEOs are paid pursuant to our Annual Incentive Bonus Plan. The Annual Incentive Bonus Plan is designed to ensure that awards are differentiated based on individual performance and align compensation with the execution of strategic initiatives that drive long-term performance. Each NEO's annual incentive award in fiscal year 2023 was based on four metrics, as shown below. Specifically, seventy percent (70%) of the overall Annual Incentive Bonus Plan payout was based on adjusted net revenue and adjusted operating income goals on a consolidated Company basis (increased from 50% for fiscal year 2022) and the remaining 30% of the overall Annual Incentive Bonus Plan payout was based on inclusion and diversity goals (7.5% overall weighting), sustainability goals (7.5% overall weighting), and individual performance goals (15% overall weighting). For each metric, the possible payout can vary from 0% to 200% of target, depending on performance, with linear interpolation used to determine the payout for performance for our financial performance goals.

FISCAL YEAR 2023 DESIGN

Base (\$) x Target Annual Incentive Opportunity (%) x Performance Factors (Illustrated below)

PERFORMANCE FACTORS: FISCAL YEAR 2023 DESIGN

- 70% Financial Performance Weighting
- 15% ESG Goals
- 15% Individual Performance Factor

Living Our Mission and Values/Helping Others Succeed and Strategic and Operational Goals (15%)

Objective/Quantitative

15% SUSTAINABILITY PERFORMANCE GOALS (7.5%)

We believe going back more than we take from the planet contributes to our primary objective of maintaining Starbucks standing as one of the most recognized and respected brands in the world. Further, we believe sustainability of our raw materials, especially coffee, is paramount to our business operations. As a result, our supply chain, coffee, reusable, greener stores, Planet™, dairy, and regulatory sustainability goals for fiscal year 2023 accounted for 7.5% of the overall fiscal year 2023 Annual Incentive Bonus Plan payout. The graphic below sets forth additional details regarding these goals, as well as the relative weighting of each component.

Weighting	15.0%	11.0%	11.0%	11.0%	11.0%	11.0%	14.0%
100%	1,400-1,499 Certified Green Stores	1,500-1,599 Certified Green Stores	1,600-1,699 Certified Green Stores	1,700-1,799 Certified Green Stores	1,800-1,899 Certified Green Stores	1,900-1,999 Certified Green Stores	2,000-2,099 Certified Green Stores
100%	1,400-1,499 Certified Green Stores	1,500-1,599 Certified Green Stores	1,600-1,699 Certified Green Stores	1,700-1,799 Certified Green Stores	1,800-1,899 Certified Green Stores	1,900-1,999 Certified Green Stores	2,000-2,099 Certified Green Stores
75%	1,400-1,499 Certified Green Stores	1,500-1,599 Certified Green Stores	1,600-1,699 Certified Green Stores	1,700-1,799 Certified Green Stores	1,800-1,899 Certified Green Stores	1,900-1,999 Certified Green Stores	2,000-2,099 Certified Green Stores
50%	1,400-1,499 Certified Green Stores	1,500-1,599 Certified Green Stores	1,600-1,699 Certified Green Stores	1,700-1,799 Certified Green Stores	1,800-1,899 Certified Green Stores	1,900-1,999 Certified Green Stores	2,000-2,099 Certified Green Stores
0%	1,400-1,499 Certified Green Stores	1,500-1,599 Certified Green Stores	1,600-1,699 Certified Green Stores	1,700-1,799 Certified Green Stores	1,800-1,899 Certified Green Stores	1,900-1,999 Certified Green Stores	2,000-2,099 Certified Green Stores

* Green shading indicates levels at which goal was achieved.

Our sustainability goals related to supply chain, coffee, reusable, greener stores, Planet™, dairy, and regulatory Sustainability measurement were achieved with a weighted achievement factor of 100% for all sustainability goals.

7.5% INCLUSION AND DIVERSITY PERFORMANCE GOALS (7.5%)

Our annual cash incentive program includes an inclusion and diversity element to cultivate an inclusive environment where everyone belongs. We believe the strength, diversity, and inclusiveness of our workforce are significant contributors to our success as a global brand. For that reason, the inclusion and diversity goals summarized below accounted for 7.5% of the overall fiscal year 2023 Annual Incentive Bonus Plan payout.

Inclusion and Diversity Performance Goals

- Mentorship Program:** Serve as a mentor to BIPOC mentees and demonstrate a meaningful time commitment demonstrated through monthly group meetings with all mentees and monthly individual meetings with each mentee.
 - 50% payout for BIPOC Retention Rate >97%
 - 100% payout for BIPOC Retention Rate >90%
 - 200% payout for BIPOC Retention Rate 98%-100%
- BIPOC Retention Rate***
 - 50% payout for Average score 3.0-2.49
 - 100% payout for Average score 3.0-3.49
 - 200% payout for Average score 4.5-5.0
- Inclusive Leadership Survey**
 - 50% payout for Average score >3.0 on scale of 1-5
 - 100% payout for Average score 3.0-2.49
 - 200% payout for Average score 4.5-5.0

* BIPOC refers to Black, Indigenous, and People of Color. BIPOC retention is measured using a fiscal year-to-date retention metric and monitors the retention of BIPOC partners who are under an NEO's functional hierarchy (reporting up through an NEO's organization) at the beginning of the fiscal year and who remained employed with Starbucks, not necessarily in the NEO's organization, throughout the fiscal year.

FINANCIAL AND SUSTAINABILITY PERFORMANCE MEASURES - RESULTS

The table below shows the fiscal year 2023 actual achievement results for each of the financial and sustainability components of the Annual Incentive Bonus Plan.

Performance Measure	Weighting	Fiscal Year 2023 Target	Fiscal Year 2023 Result	Fiscal Year 2023 Achievement Factor
Business Performance⁽¹⁾				
Total Company Cash/Adjusted				
Adjusted Net Revenue	43%	\$36,625	\$36,515	100.0%
Adjusted Operating Income	57%	\$5,833	\$5,913	120.0%
Sustainability Results				
Supply Chain	11%	See page 99	100.0%	
Sustainable Coffee	11%	See page 99	100.0%	
Reusable	11%	See page 99	200.0%	
Greener Stores	11%	See page 99	0.0%	
Planet - Menu	11%	See page 99	100.0%	
Sustainable Dairy	11%	See page 99	100.0%	
Sustainability Measurement	34%	See page 99	100.0%	

(1) The performance measures under the Annual Incentive Bonus Plan that were approved at the beginning of the performance period provided for certain non-GAAP adjustments so that the performance measures would reflect underlying business operations more consistently than the comparable GAAP measures. The fiscal year 2023 adjusted net revenue report and adjusted operating income result are non-GAAP measures. Adjusted net revenue and adjusted operating income is the most directly comparable measure reported under GAAP as well as information regarding how these measures are calculated.

INCLUSION AND DIVERSITY PERFORMANCE MEASURES - RESULTS

The table below shows the fiscal year 2023 actual achievement results for the inclusion and diversity component of the Annual Incentive Bonus Plan.

Element	Weighting	Fiscal Year 2023 Goal	Fiscal Year 2023 Result	Achievement Factor
Rachel Ruggieri				
Mentorship Program	No payout if no participation	Completion of insights, courses, and surveys	Completed successfully	
BIPOC Retention Rate	50%	>90%	93.5%	137.5%
Inclusive Leadership Survey	50%	>3.00	4.18 score	
Michael Conway				
Mentorship Program	No payout if no participation	Completion of insights, courses, and surveys	Completed successfully	
BIPOC Retention Rate	50%	>90%	94.7%	123%
Inclusive Leadership Survey	50%	>3.00	3.69 score	
Sara Kelly				
Mentorship Program	No payout if no participation	Completion of insights, courses, and surveys	Completed successfully	
BIPOC Retention Rate	50%	>90%	93.7%	137.5%
Inclusive Leadership Survey	50%	>3.00	4.32 score	

Mr. Nasrallah was engaged in a unique six-month immersion program in connection with his commencement of employment with Starbucks in October 2022, where he met and connected with partners around the globe and in all parts of the business, which ultimately resulted in his formal appointment as CEO in March 2023 and a re-structuring of the Company. Due to Mr. Nasrallah's engagement in this unique and invaluable six-month immersion program, Mr. Nasrallah did not formally participate as a mentor in the Mentorship Program, and he received an achievement factor of 100% with respect to the inclusion and diversity component of the Annual Incentive Bonus Plan given his participation in the immersion program. Mr. Lerman also was not able to participate in the Mentorship Program, as he did not commence employment with us until April 2023. As a result, consistent with our practice with respect to partners who are promoted or hired into a role at the senior vice president level or above after the Mentorship Program cutoff date, Mr. Lerman received an achievement factor of 100% with respect to the inclusion and diversity component of the Annual Incentive Bonus Plan.

15% INDIVIDUAL PERFORMANCE FACTOR ("IPF") (15%)

The IPF was based on the elements set forth in the table below, with specific goals that may vary by individual.

Element	Payoff Range	Goals	Rationale
Living Our Mission and Values/Helping Others Succeed (Goals vary by individual)	0-200%	Varies by individual, but focused on: <ul style="list-style-type: none"> Creating a culture of warmth and belonging, where everyone is welcome. Delivering our very best in all we do and holding ourselves accountable for results. 	Living our Mission and Values enables our partners to deliver an elevated Starbucks experience to our customers every day.
Strategic and Operational Goals (Goals vary by individual)	0%	<ul style="list-style-type: none"> Acting with courage, challenging the status quo, and finding new ways to grow our Company and each other. Being present, connecting with transparency, dignity, and respect. 	Individual strategic and operational goals directly tied to the NEO's primary areas of responsibility are important to driving sustainable growth and value creation.
	200%	Varies by individual, tied to the NEO's primary areas of responsibility.	



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Overview and explanation of short-term incentive plan metrics, including ESG metrics

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Incorporation of Corporate Responsibility Scorecard into short-term incentive compensation

EXECUTIVE COMPENSATION
2023 Company Metrics and Performance
The 2023 ACB program emphasized pre-established financial and ESG performance measures. The following table provides each metric's target weighting, performance levels and actual performance achieved in 2023:

COMPENSATION DISCUSSION AND ANALYSIS | 2023 PRINCIPAL ELEMENTS OF COMPENSATION
Changes in tax laws and accounting rules that positively or negatively impact performance
Changes to the Company's capital structure (restructuring, acquisitions and divestitures)
2023 ANNUAL INCENTIVE TARGETS
Each NEO has an annual incentive target that is expressed as a percentage of the NEO's base salary as in effect on December 1, 2023.

COMPENSATION DISCUSSION AND ANALYSIS | 2023 PRINCIPAL ELEMENTS OF COMPENSATION
OUR FINANCIAL PERFORMANCE METRICS
Company-Wide Metrics Business Unit Metrics
RTX Earnings RTX FCF Business Unit Earnings Business Unit FCF
We start with a GAAP measure of RTX's net income attributable to common shareholders.

COMPENSATION DISCUSSION AND ANALYSIS | 2023 PRINCIPAL ELEMENTS OF COMPENSATION
HOW WE PERFORMED ON THE CORPORATE RESPONSIBILITY SCORECARD
The 2023 Corporate Responsibility Scorecard goals, results and performance factors are shown below:
2023 Goals
2023 Results Performance Factors



Key Examples

McDonald's 2024 Proxy Statement

Inclusion and explanation of Human Capital Metrics in short-term incentive compensation

Adjustments to Short-Term and Long-Term Incentive Compensation

Executive Compensation

For 2023, the STIP design was aligned with our Accelerating the Arches strategy and rewarded growth in operating income, Systemwide sales, new restaurant openings and performance against human capital metrics. Operating income growth requires us to balance increases in revenue with financial discipline to produce strong margins and cash flow. Systemwide sales is an important metric in a franchise business as income generation is closely correlated to sales growth and it is a measure of the financial health of our franchisees. New restaurant openings was introduced as a new metric for 2023 given the importance of restaurant development in driving top-line growth as part of the evolution of our Accelerating the Arches strategy. The new restaurant openings metric measures restaurants opened in our U.S. and International Operated Markets ("IOM") segments. Human capital metrics align with our strategic aspirations and hold executives accountable for efforts towards the Company's DEI ambitions. To further our franchising strategy, the STIP design includes a modifier that is focused on converting registered applicants to our franchise program into new restaurant owners and the diversity of such new restaurant owners, as detailed below.

The chart below provides the operating income growth, Systemwide sales growth, and new restaurant openings necessary to achieve threshold, target, and maximum payouts under the 2023 STIP for the Corporate segment:

Goal	THRESHOLD	TARGET	MAXIMUM
Operating income growth	0%	8.5%	10.7%
Systemwide sales growth	0%	8.3%	16.2%
New restaurant openings	382	448	477

1 Payroll percentage interpolated for results that fall between each of the performance levels specifically identified. The maximum payout as a percentage of target was 200% for the operating income growth and Systemwide sales growth metrics and 133% for the new restaurant openings metric.

PERFORMANCE VS. 2023 STIP TARGETS

The following table shows the operating income, Systemwide sales, and new restaurant opening targets and results under the 2023 STIP for the Corporate, U.S., and IOM segments. STIP payouts are capped at 200% of the target award.

	OPERATING INCOME ("OI") (\$ MIL. RESIDUALS)				SYSTEMWIDE SALES ("SYS") (\$ MIL. RESIDUALS)				NEW RESTAURANT OPENINGS ("NRO") (\$ MIL. RESIDUALS)			
	TARGET	2023	ADJUSTED	OVER	TARGET	2023	ADJUSTED	OVER	TARGET	2023	ADJUSTED	OVER
Corporate	114	9.5	12.0	16.0	328.0	8.3	131.5	11.2	449	410	46	40
U.S.	5.4	5.6	5.8	12.2	31.0	4.7	5.1	9.0	100	112	12	12
IOM	5.6	7.7	5.9	12.8	42.9	8.0	43.6	3.8	329	298	28	28

1 The 2023 operating income target and results above have been adjusted in accordance with the Committee's pre-established guidelines. See page 64 for further information on the Committee's guidelines as well as 2023 STIP adjustments.

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Executive Compensation

For 2023, our human capital metrics focused on the diversity of women and underrepresented groups in leadership roles and represented 15% weighting in the STIP at target, with the opportunity to earn from 0 to 20 STIP points. In early 2024, the Committee reviewed our performance with respect to the human capital metrics under the 2023 STIP and determined that we continued to make progress in this area. The following was earned for our achievements against these metrics:

HUMAN CAPITAL METRICS	STIP Points Awarded	Performance Factor (%)
Diverse representation in leadership roles	13.9	92.7

With respect to the modifier applicable to certain NEOs' 2023 STIP payouts, the Committee established metrics to measure the conversion of registered applicants into new restaurant owners, and the diversity of such new restaurant owners. This modifier applied to the IOM segment results for Mr. McDonald and the U.S. segment results for Mr. Erlinger. Target-level achievement has a neutral impact on STIP results, with upside and downside opportunity ranging from +/- 15 STIP points, which impacts the IOM segment results for Mr. McDonald and the U.S. segment results for Mr. Erlinger. In early 2024, the Committee reviewed the performance of each of the IOM and U.S. segments relative to the pre-established goals, with the performance detailed below:

MODIFIER	Segment	STIP Points Applied to Segment Results
Conversion of registered applicants into new restaurant owners and diversity of such new owners	IOM	-1.4
	U.S.	(8.4)

INDIVIDUAL 2023 STIP PAYOUTS

The 2023 STIP target and actual payouts for our NEOs are shown in the following table.

NAME	APPLICABLE TEAM FACTORS	PERFORMANCE FACTOR (%)	2023 STIP PAYOUT AS		2023 STIP PAYOUT AS	
			TARGET SALARY	2023 TARGET STIP	2023 ACTUAL PAYOUT	PERCENT OF TARGET PAYOUT
Christopher Kempczinski	Corporate (80%)	149.9	200	2,850,200	4,927,420	141.3
Ian Borden	Corporate (80%)	149.9	125	1,125,000	1,589,850	141.3
	Human Capital (15%)	92.7			92.7	
Gillian McDonald ¹	IOM (63.70%)	137.9	100	970,028	1,296,601	133.7
	Corporate (21.25%)	149.9				
Jonathan Banner	Corporate (80%)	149.9	90	830,000	893,216	141.3
	Human Capital (15%)	92.7				
Joseph Erlinger	U.S. (83.70%)	163.2	100	1,008,000	1,638,492	162.5
	Corporate (21.25%)	149.9				
	Human Capital (15%)	92.7				

1 The Performance Factors, the 2023 STIP Payout and 2023 STIP Payment are a result of Target which includes the impact of the modifier that is focused on converting registered applicants to our franchise program into new restaurant owners and the diversity of such restaurant owners for Mr. McDonald and Mr. Erlinger for the U.S. segment, as further described in the Performance vs. 2023 STIP Targets table on page 61. The Performance Factor for the IOM segment was 133%, and the performance factor for Mr. Erlinger for the U.S. segment reflects the increase of 4 STIP points, based on the modifier.

2 Mr. McDonald's 2023 STIP payout was determined to be based on the average monthly exchange rate for 2023 of 1 GBP = 1.242889 USD.

LONG-TERM INCENTIVE COMPENSATION

Consistent with prior years, our long-term incentive compensation in 2023 consisted 50% of PRSUs and 50% of stock options. The Committee believes this mix of awards supports our pay-for-performance philosophy. Executives are motivated by PRSUs to achieve robust financial performance targets over a three-year period, and stock options focus executives on actions that create shareholder value over the long term.

McDonald's 62 2024 proxy statement

Executive Compensation

The chart below provides the three-year average annual EPS growth and ROIC necessary to achieve threshold, target, and maximum payouts for the 2023-2025 PRSUs.

2023-2025 ¹	THRESHOLD	TARGET	MAXIMUM
Three-Year Average of Annualized ROIC	0.0%	8.0%	13.0%
Three-Year Average of Annualized EPS Growth	16.0%	20.0%	24.0%

1 Payroll percentage interpolated for results that fall between each of the performance levels specifically identified.

CUMULATIVE TSR VS. S&P 500 INDEX MODIFIER²

0 - 10 th percentile	-25%
35 th percentile	-12.5%
50 th percentile	0%
65 th percentile	+12.5%
80 - 100 th percentile	+25%

2 Payouts between 10th and 70th percentiles will be interpolated.

2021 PRSUs

In 2021, the Committee granted PRSUs to our executives, which were subject to EPS, ROIC and relative TSR performance metrics for the 2021-2023 performance period. Driven by the execution of our Accelerating the Arches growth strategy, the Company achieved the maximum performance level for both our EPS growth and ROIC and our TSR was at the 67th percentile compared to the S&P 500 Index, resulting in the PRSUs vesting at 187.5% of the target amount in early 2024.

Stock Options

The remaining 50% of the target annual long-term incentive award values for our NEOs were granted in the form of options. Options granted to our NEOs have an exercise price equal to the closing price of our common stock on the grant date, a term of ten years and vest ratably over four years, subject to continued service. Options provide value only if our share price increases, thereby closely aligning executive pay with shareholder interests.

8. Adjustments to Reported Results

In order to focus our executives on the fundamentals of our underlying business performance, certain adjustments that are not indicative of ongoing performance may be approved for purposes of incentive-based compensation. Our goal is to align incentive payouts with underlying business results that our investors use to measure performance, as opposed to allowing special gains or charges to have a significant impact on payouts.

The Committee considers potential adjustments pursuant to pre-established guidelines. Including materiality, to provide consistency in how the Committee views the business. The following graphic illustrates the three categories: "Strategic," "regulatory" and "external" of items the Committee may exclude from financial results for purposes of determining incentive payouts. In addition, the Committee excludes the effects of foreign currency translation (either positive or negative) for purposes of incentive payouts since changes in foreign exchange rates may cause our reported results to appear more or less favorable than business fundamentals indicate.

The Committee may approve adjustments to reflect events in the prior period and/or the results achieved during the applicable performance period to account for items not indicative of underlying performance, in STIP and/or PRSUs. Individual adjustments may have a positive or negative impact, and in any given year, aggregate adjustments may increase or decrease incentive payouts.

As part of the Accelerating the Arches strategy, certain initiatives were put into place which had an impact on financial results. The Company incurred restructuring costs associated with Accelerating the Organization, the Company's internal effort to modernize ways of working, as well as accelerated restaurant closing charges, representing expenses associated with the Lease Right of Use Asset and fixed asset write-offs. In addition, the Company incurred costs related to the write-off of impaired software no longer in use. Consistent with its pre-established adjustment guidelines, the Committee adjusted the financial results for the purposes of determining incentive payouts so that employees were not impacted by events beyond their control. Refer to the following table for more details on the adjustments the Committee approved with respect to 2023 STIP awards.

McDonald's 64 2024 proxy statement

Executive Compensation

2023 STIP Adjustments

CATEGORY	ADJUSTMENTS	ADJUSTMENT TO OPERATING INCOME (\$M)
Strategic	Asset impairment and gains/losses related to strategic initiatives, including restructurings, acquisitions, divestitures, and developmental license transactions	293
	Exclude costs associated with the Accelerating the Arches strategic actions	
	Exclude costs related to impairment of software assets	72
Regulatory	Changes in tax or accounting law or regulations	N/A
External	Extraordinary, unforeseeable events, such as natural disasters or the impact of social or political unrest that are outside of management's control	N/A

1 Pre-tax amounts in millions. The amounts in the table for each segment are to the total adjustments identified below for the respective segment. The following chart provides the net adjustment (other than for foreign currency translation), as described above, by segment, made to 2023 operating income for purposes of calculating STIP payouts. There were no adjustments made to Systemwide sales.

	Operating Income (\$M)
Corporate	365
U.S.	71
International Operated Markets (IOM)	100

2021 PRSU Adjustments

In determining EPS and ROIC results for 2021-2023 PRSU awards, the Committee adjusted performance consistent with the above pre-established guidelines, adjusting performance for the same items that applied to STIP awards for the respective performance years. In the aggregate, the Committee's adjustments pursuant to the pre-established guidelines increased the 2021-2023 PRSU awards.

9. Other Compensation Elements

Retirement Savings Arrangements

We believe a competitive retirement program contributes to the recruitment and retention of top executive talent. We do not have any supplemental executive retirement plans. Our U.S.-based NEOs only participate in the same tax-qualified defined contribution retirement savings plan and non-tax-qualified deferred compensation retirement plan that are applicable to U.S.-based employees.

Perquisites & Other Benefits

We provide certain limited perquisites to our NEOs, including financial planning, physical examination (which are also available for our NEOs' spouses), life insurance and matching charitable donations. Mr. Kempczinski is permitted to use our corporate aircraft for personal travel; however, we require full reimbursement of incremental costs associated with personal use of the aircraft once our costs reach a predetermined threshold. In certain circumstances, Mr. Kempczinski may permit other executives to use the aircraft for personal travel or to be joined by their spouses on the aircraft for business travel. The safety and security of our employees is a priority for our Company; accordingly, we provide risk-based executive security for select NEOs. We do not provide any tax gross-ups on the perquisites described above.

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Key Examples

Adjustments to Performance Compensation

Walmart 2024 Proxy Statement

Explanation of rationale and tabular presentation of impact

Fiscal 2024 performance equity payouts

Our NEOs annually receive performance-based RSUs with a one-year performance period followed by a two-year vesting period (see illustrations below).

Segment	Fiscal 2024 Grant		Fiscal 2024 Payout
	FY23 Performance	Time-based vesting through FY23 and FY24	
Walmart U.S.	150%		150.00%
Sam's Club	150%	Vested on Jan. 31, 2024	150.00%
International	150%		150.00%
Total Company	150%		150.00%

Segment	Fiscal 2023 Grant		Fiscal 2023 Payout
	FY22 Performance	Time-based vesting through FY22 and FY23	
Walmart U.S.	118%		118.00%
Sam's Club	118%	Scheduled to vest on Jan. 31, 2023 based on continued employment	118.00%
International	118%		118.00%
Total Company	118%		118.00%

Segment	Fiscal 2024 Grant		Time-based vesting through FY23 and FY24
	FY24 Performance		
Walmart U.S.	150%		150.00%
Sam's Club	150%	Scheduled to vest on Jan. 31, 2026 based on continued employment	150.00%
International	150%		150.00%
Total Company	150%		150.00%

Why do the results used in our incentive plans differ from our reported results of operations for fiscal 2024?

The CMDC's objective in administering our incentive plans is to ensure that incentive awards are calculated on a comparable basis from year-to-year, and to ensure that plan participants are incentivized and rewarded appropriately for performance within their control. The CMDC undertakes a rigorous oversight and certification process to determine the items to exclude from our reported results of operations for purposes of our incentive plans. This process is not outcome-driven and includes both positive and negative adjustments to reported results of operations. For fiscal 2024, these adjustments, taken as a whole, had the impact of reducing our sales and operating income for incentive plan purposes.

For these reasons, the following types of items are excluded from our incentive goals and/or our incentive calculations:

- Items excluded by the terms of the incentive plans. Like many other companies, our shareholder-approved incentive plans specify that incentive payouts be calculated after excluding the impact of recent acquisitions, divestitures, restructurings, and items that similarly impact our operating results. For fiscal 2024, the largest item in this category was an adjustment to reduce operating income to reflect lower than planned LIFO charges during fiscal 2024.
- Items excluded at the time incentive goals are established. When the CMDC sets incentive goals, it typically excludes the impact of certain items from the performance goals. For example, because we generally do not hedge for currency exchange rate fluctuations, the CMDC sets incentive goals on a constant currency basis excluding the impact of currency exchange rate fluctuations. Similarly, sales goals exclude the impact of fuel sales because fuel prices are volatile and subject to significant fluctuation, which is out of our management's control. Sales goals also exclude Sam's Club tobacco sales. For fiscal 2024, fuel and currency represented the substantial majority of all sales adjustments, and currency represented the only operating income adjustment.

Impact of excluded items on fiscal 2024 performance for incentive plan purposes

\$ in millions

Metric	Operating Income				Sales			
	Total Company	Walmart U.S.	Sam's Club	International	Total Company	Walmart U.S.	Sam's Club	International
As Reported	27,012	22,154	2,192	4,909	642,637	441,817	86,179	114,641
Plan and pre-determined items	(643)	(232)	(135)	(373)	(20,087)	(4,652)	(12,447)	(2,967)
Comparative items	215	164	38	14	41	--	--	41
Performance for Incentive Plan Purposes	26,584	22,086	2,095	4,550	622,591	437,165	73,732	111,715

* Segment numbers may not sum up to Total Company numbers due to rounding and corporate-level expenses.

Fiscal 2024 ROI Adjustments for Long-Term Performance Equity Purposes. When calculating ROI for long-term performance equity purposes, we used the adjusted operating income shown in the table above in the row titled "Performance for Incentive Plan Purposes." We then adjusted ROI downwards, primarily to exclude the impact of mark-to-market adjustments to the value of certain equity and other investments. As a result of applying these adjustments, our ROI was 14.83% for purposes of our long-term performance share plan, compared to a reported ROI of 15.02%.

Adjustment to Long-Term Incentive Compensation

Leidos 2024 Proxy Statement

Footnote explanation of adjustment to revenue for LTI calculation

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

Total 2023 Equity Grant Values. The following table sets forth the target value and corresponding number of shares for the long-term incentive awards granted to our named executive officers in 2023. Details about these grants can be found in the "Grants of Plan-Based Awards" table in the "Executive Compensation" section of this proxy statement.

Name	Performance Shares		Performance RSUs		Stock Options		Total 2023 Equity Value (\$)
	Target Value (\$)	Target Shares	Target Value (\$)	Units Granted	Target Value (\$)	Options Granted	
Thomas A. Bell	2,250,000	28,300	1,300,000	16,992	900,000	43,083	4,500,000
Roger A. Kline	2,205,000	22,219	1,215,000	12,137	810,000	33,800	4,000,000
Christopher R. Caper ⁽¹⁾	846,200	8,832	513,700	5,300	342,500	12,872	1,712,500
Gerard A. Fasano ⁽¹⁾	708,700	7,311	425,200	4,387	283,500	10,654	1,417,500
Elizabeth M. Ryan ⁽¹⁾	438,425	4,557	261,375	2,704	254,200	9,555	1,371,200
Roy E. Stevens ⁽¹⁾	614,200	6,336	368,500	3,802	245,700	9,234	1,228,500

⁽¹⁾ On August 8, 2023, long-term equity retention incentive awards, in the form of restricted stock units with a grant date fair value of \$1 million, were granted to Mr. Caper, Mr. Fasano, Ms. Ryan, and Mr. Stevens. These awards are not represented in this table as they are subject to a time-based vesting schedule over a three-year cliff period.

Performance Equity Vesting in 2023

Determination of Performance Shares Earned for the 2021-2023 Performance Period. In February 2021, the Committee established long-term performance goals for the performance share program measuring the three-year performance period covering fiscal years 2021 through 2023. The vesting and payout for these performance shares were contingent on the achievement of a relative total shareholder return metric (weighted 50%) and a revenue goal (weighted 50%), with all metrics measuring cumulative results over the three-year performance period.

At its February 2024 meeting, the Committee approved a payout score of 81.8% for the 2021 through 2023 performance period. The tables below show the relative total shareholder return and revenue goals at target, and the actual results for the three-year performance period.

TOTAL STOCKHOLDER RETURN TSR RELATIVE TO COMPENSATION PEER GROUP MEDIAN⁽¹⁾

ACHIEVEMENT OF REVENUE GOALS⁽²⁾

⁽¹⁾ Our relative TSR score reflects the aggregate change in the 30-day average closing price of our stock compared to the median of our performance share peer group, as measured at the beginning and end of the three-year performance period, taking into account the value returned to stockholders in the form of dividends, reported to be determined on the distribution date on a post-tax basis. Our total stockholder return during the three-year period from 2021 to 2023 was 5.7%, compared to 35.5% for the median of our compensation peer group, resulting in a payout factor of 70.2%. Our performance share peer group includes 26 companies primarily in the IT services, managed services, consulting services and engineering and construction industries.

⁽²⁾ Revenues of \$43.4 billion were reported in the Company's Form 10-Ks for the 3-year period. \$43.4 billion is the adjusted compensation actual. For purposes of our compensation program, we exclude revenues from acquired companies that were not originally included in the calculation of compensation targets. A reconciliation of revenues as used in our compensation program to our reported revenue is set forth below.

(\$ in billions)	
Revenues (as reported)	\$ 43.4
Revenues from Acquisitions	0.2
Revenues Adjusted	\$ 43.6



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Key Examples

Long-Term Incentive

PepsiCo 2024 Proxy Statement

Concise, visual overview of LTI mix, math calculation, slide bar results and payout of awards vesting in year

Cognizant 2024 Proxy Statement

Concise visual presentation of PSU weighting and results as well as outstanding equity overview

Executive Compensation

Long-Term Incentive Awards

The vesting of LTI awards is 100% performance-based, subject to the achievement of ambitious three-year financial targets aligned with the terms and conditions of PepsiCo's LTI program. The three-year cliff vesting provision also serves as a critical retention tool in an environment of competition for key talent.

Awards granted include two distinct components: PSU and LTC awards. Each executive's target grant value is based on their role.

- 66% Performance Stock Units Based on operating metrics: Core Constant Currency EPS Growth, Organic Revenue Growth
- 34% Long-Term Cash Based on TSR relative to proxy peer group

Performance Stock Units

The PSU incentivize our executives to focus on critical performance objectives that we believe translate to sustainable shareholder returns over the long term. The PSUs pay out in PepsiCo shares, plus dividends accrued over the vesting period on earned shares.

Earnings Per Share Growth

3-year average of annual Core Constant Currency EPS Growth rates

A metric followed by shareholders that incorporates key elements of financial success, including top-line growth in revenue, expense control, the effectiveness of investments made in the business over time, and bottom-line profitability.

Organic Revenue Growth

3-year average of annual Organic Revenue Growth rates

A metric followed by shareholders that focuses on accelerated top-line growth and enhanced shareholder returns.

0 - 200% of Target

Long-Term Cash Award

The LTC award focuses on relative TSR performance, strengthening alignment with long-term shareholder value creation. The LTC award is denominated and paid out in cash, reflecting PepsiCo's responsible use of shares under our LTI program.

Relative TSR Performance

TSR performance relative to our proxy peer group set at the time of grant over a 3-year performance period.

Relative TSR Ranking	Threshold	Target	Max
100%	25th	Median	100th
50%	50th	100th	200th

Above target payout requires us to deliver positive 3-year TSR. Linear interpolation is used when ranking falls between percentages shown.

Payout 0 - 200% of Target

Executive Compensation

Long-Term Incentive Award Payouts

2021 PSU Payout

As a result of strong three-year performance, the 2021 PSUs paid out at 200% of target.

3-YEAR AVERAGE OF ANNUAL CORE CONSTANT CURRENCY EPS GROWTH¹

Threshold	Target	Max
5.0%	7.0%	10.1%
40% Payout	100% Payout	200% Payout

Actual Result: 12.2%

3-YEAR AVERAGE OF ANNUAL ORGANIC REVENUE GROWTH²

Threshold	Target	Max
3.1%	4.3%	5.5%
20% Payout	100% Payout	200% Payout

Actual Result: 11.1%

2021 Long-Term Cash Award Payout

The 2021 LTC award paid out at 148% of target in light of our total return to shareholders, including dividends, outperforming the median of our proxy peer group over the three-year performance period.

3-YEAR RELATIVE TSR PERCENTILE VS. PROXY PEER GROUP

Based on PepsiCo's TSR of 24.46% for the three-year performance period ended on December 31, 2023. PepsiCo ranked at the 76th percentile relative to our proxy peer group.

Relative TSR Ranking	Threshold	Target	Max
50%	25th	Median	100th
100%	50th	100th	200th

Actual Result: 76th %ile

Name	LTC Granted (\$000)	LTC Earned (\$000)	Payout at Target
Ramon L. Laguarta	4,552	6,667	148%
James Cauffield ¹	0	0	N/A
Steven Williams	1,020	1,510	148%
Kirk Tanner ²	994	1,471	148%
Silvia Popovich	1,020	1,510	148%
Hugh F. Johnston	2,380	3,522	148%

Special Long-Term Incentive Awards

Special PSU Award Grants

No special PSU awards were granted to NEOs in 2024, and no special PSU awards remain outstanding for our NEOs.

¹ These refer to Appendix A to this Proxy Statement for a description and reconciliation of these non-GAAP compensation performance measures relative to required GAAP financial measures, and to pages 60-61 and 33 of PepsiCo's 2023 Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for a more detailed description of the items excluded from these measures.

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Compensation discussion and analysis (COBA)

2021-2023 Performance stock units (PSUs)

2021-2023 PSUs were granted by the Compensation Committee on February 21, 2021 and subsequently in 2021 in connection with promotions to executives, based on 3-year performance period of January 1, 2021 through December 31, 2023, and were settled at approximately 91% of target on March 16, 2024. Targets, which are set at the beginning of the 3-year performance period as a % increase over prior year results (assuming no acquisitions) included the following:

- Revenue Growth measured as increase in revenue adjusted for currency fluctuations and acquisitions; prior year actual revenue for each year of the performance period that is measured separately against a percentage growth target for such year; targets for all three years set upfront in February 2021 as a percentage increase over the prior year; each year is weighted equally.
- Adjusted diluted EPS: increase in adjusted diluted EPS for each year of the performance period that is measured separately against a percentage increase target for each year; targets for all three years set upfront in February 2021 as a percentage increase over the prior year; each year is weighted equally.
- Relative TSR: Achievement determined after end of 3-year performance period against a peer group of companies in the S&P 500 Information Technology Index plus Cognizant, Tata Consulting Services, Infosys, Wipro, HCL, COE, EPAM Systems and Geopert.

Prior to determining the performance by the company against the revenue and adjusted diluted EPS targets for each year, the Compensation Committee adjusted (i) the revenue threshold, target and maximum levels to account for currency fluctuations in a manner intended to ensure that they do not impact, positively or negatively, the achievement of targets and (ii) the revenue and adjusted diluted EPS targets by the amount of revenue and diluted EPS derived from acquisitions completed during the respective years in a manner intended to ensure that acquisitions do not impact, positively or negatively, the achievement of targets. Additionally, in early 2022, the Compensation Committee increased the 2021 adjusted diluted EPS target by the per-share impact of the 2021 class action settlement loss, net of tax, which was excluded from the company's 2021 adjusted diluted EPS target to ensure that the achievement against target reflected the impact of the loss. See "Forward-looking statements and non-GAAP financial measures" on page 99 for more information regarding the class action settlement loss.

Year	Threshold (\$00 earned)	Target (\$00 earned)	Maximum (\$00 earned)	Component Achievement	Achievement earned	
Year 1 (2021)	\$57	\$6.4	\$9.1	200%	91.4%	
Year 2 (2022)	\$8.8	\$1.1	\$1.6	172%		
Year 3 (2023)	\$6.3	\$0.7	\$1.1	0%		
Adjusted diluted EPS	Year 1 (2021)	\$17	\$1.6	\$1.6	200%	91.4%
Year 2 (2022)	\$3	\$1.4	\$1.4	153%		
Year 3 (2023)	\$1.2	\$1.8	\$1.5	0%		
Relative TSR	Year 1 (2021)	30 th percentile	30 th percentile	80 th percentile	0%	

Adjusted diluted EPS is not a measurement of financial performance prepared in accordance with GAAP. See page 99 for more information.

Compensation discussion and analysis (COBA)

Performance on outstanding PSUs

Our 2022-2024 and 2023-2025 PSUs are structured similarly to the 2021-2023 PSUs described above, with three year performance periods and similar metrics. The 2023-2025 PSUs and 2022-2024 PSUs also utilize the same peer group for relative TSR in setting the performance targets for the 2023-2025 PSUs. In order to better align with market practices, the Compensation Committee approved a different peer group consisting of the S&P 500 Index. Except for relative TSR, targets are set at the beginning of the 3-year performance period as a percentage increase over prior year results (do not target to not known until after the end of the prior year). Prior to determining the performance by the company against the revenue and adjusted diluted EPS targets for each year, the Compensation Committee adjusted, and expects to adjust for 2024 and 2025, (i) the revenue threshold, target and maximum levels to account for currency fluctuations in a manner intended to ensure that they do not impact, positively or negatively, the achievement of targets and (ii) the revenue and adjusted diluted EPS targets by the amount of revenue and diluted EPS derived from acquisitions completed during the respective years in a manner intended to ensure that acquisitions do not impact, positively or negatively, the achievement of targets. Performance on such awards for which at least a full calendar year of the performance period has been completed are tracking below target as follows:

Metric	Year	Threshold	Target	Maximum	Achieved	% of Achievement Earned	
2022-2024 PSUs	Revenue (in billions)	Year 1 (2022)	\$19.3	\$19.7	\$21.1	\$19.4	91%
	Year 2 (2023)	\$20.7	\$21.1	\$21.5	\$19.4	0%	
	Year 3 (2024)	\$4.4	\$4.4	\$4.3	\$4.0	0%	
2023-2025 PSUs	Revenue (in billions)	Year 1 (2023)	\$4.4	\$4.6	\$4.8	\$4.5	76%
	Year 2 (2024)	\$4.7	\$4.6	\$4.6	\$4.5	0%	
	Year 3 (2025)	\$0.0	\$0.4	\$0.8	\$1.4	0%	

Adjusted diluted EPS is not a measurement of financial performance prepared in accordance with GAAP. See page 99 for more information.

2024 ACT and 2024-2026 PSUs

In early 2024, the Compensation Committee considered how the uncertain economic environment across the technology professional services industry presented challenges in setting financial performance goals. To reflect these challenges while continuing to maintain goal rigor and the integrity of the company's performance-based compensation program, the Committee adopted an ACT payout design that provides less variability in payout for performance at or near target levels. In addition, the strategic initiatives were combined into an overall set of qualitative goals to be evaluated at the end of the performance year. These changes, which included a goal related to DevX, a desire to improve female representation in mid-level and senior roles, and a skilling goal related to Synapse Initiative, collectively comprise a total 10% of the ACT opportunity.

Similarly, due to multi-year goal-setting challenges in the uncertain economic environment across the industry, the Compensation Committee approved a new design for the 2024-2026 PSUs that increases the emphasis on relative performance against peers (versus absolute performance). The new awards include relative performance (relative revenue growth, with a 50% weighting), and relative TSR, with a 25% weighting compared to peers and companies comprising the S&P 500 Index, respectively, with absolute EPS growth, with a 25% weighting. Each of these measures is based on a full three-year performance period. These changes are designed to continue to incentivize shareholder return and reward achievement of long-term company financial objectives and performance of the company's common stock, while maintaining overall pay competitiveness, thereby ensuring, retaining and providing stability of the executive leadership team.

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Key Examples

CVS Health 2024 Proxy Statement

Pay mix infographic and decisions and program highlights infographic, as well as detailed discussion of in-year awards and outstanding awards

Compensation Discussion and Analysis

The actual payout of the 2023 annual cash incentive award, as approved by the MP&D Committee, is set forth in the table below:

2023 Annual Cash Incentive Award⁽¹⁾

NEO ⁽²⁾	2023 Target Incentive	2023 Actual Award	Performance Modifier	Final Payout as a % of Target	Final Award		
Karen S. Lynch	\$1,500,000	200%	\$3,000,000	83.1%	120%	99.7%	\$2,992,000
Thomas F. Cowhey ⁽³⁾	\$ 771,250	112%	\$862,843	83.1%	110%	91.3%	\$786,000
Samrat S. Khichij ⁽⁴⁾	\$ 753,400	100%	\$753,400	83.1%	100%	83.1%	\$626,000
Tilak Mandadi	\$1,000,000	150%	\$1,500,000	83.1%	100%	83.1%	\$1,246,000
Prem S. Shah	\$ 950,000	150%	\$1,425,000	83.1%	120%	99.7%	\$1,421,000

⁽¹⁾ Ms. Guentz was an approved leave of absence at the end of 2023 and received a pro-rated award based on 83.1% funding. Mr. Guentz's award was calculated with a 100% individual performance modifier.

⁽²⁾ Mr. Cowhey's 2023 bonus target was pro-rated to 112% to reflect his target bonus opportunity increase to 150% in October 2023 as a result of his appointment as interim CFO.

Long-Term Incentive Compensation

Each year the MP&D Committee approves long-term incentive compensation awards for employees, including the NEOs. Following the MP&D Committee's comprehensive review of our executive compensation program, and considering input from our stockholders, it decided to maintain the mix of PSUs and stock options for 2023, as illustrated below.

2023 Long-Term Incentive Target Mix

25% Stock Options	75% PSUs
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2023 Stock Option and PSU Awards

In 2023, stock options represent 25% of the total value of long-term incentive awards for our NEOs. Stock options are granted at fair market value and vest ratably over a four-year period. The PSU portion of our long-term incentive program (75%) features formulaically-determined payouts based on performance goals established by the MP&D Committee in the first quarter of 2023 and set the performance period to be January 1, 2023 - December 31, 2023, a three-year performance period. The MP&D Committee approved 2023 Adjusted EPS as the core performance measure for the 2023 PSUs, adjusted by an rTSR modifier. These metrics were selected as they align focus on achieving externally communicated growth goals and provide year-over-year consistency in measuring and rewarding performance.

2023 Long-Term Incentive Decisions

- The MP&D Committee followed its traditional process and set targets in Q1 of 2023 and granted annual equity awards (PSUs and stock options) in April 2023.
- PSU metrics (Adjusted EPS and rTSR modifier) were consistent with prior year.
- Core metric for PSUs: 2023 Adjusted EPS⁽¹⁾.
- The 2023 Adjusted EPS goal was established in Q1 of 2023 and was consistent with the long-term growth rate target communicated to investors in February 2023.

PSU Program Highlights

- Maximum payout is 200%.
- No upward rTSR modifier is applied to PSU if our absolute TSR is negative.
- PSU award agreements include clawback/forfeiture in the event of detrimental conduct.
- Post-vesting holding period applies during and after employment.

⁽¹⁾ Adjusted EPS is a non-GAAP financial measure. See Annex A to this proxy statement for a reconciliation of Adjusted EPS and other non-GAAP financial measures to the most directly comparable GAAP financial measures.

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Compensation Discussion and Analysis

2023 Annual Equity Awards

NEO	Stock Options	PSUs	Annual RSUs	New Hire or Promotion RSUs
Karen S. Lynch	\$ 4,124,992	\$12,374,971	\$ 0	\$ 0
Thomas F. Cowhey ⁽¹⁾	\$ 562,490	\$ 1,124,969	\$ 562,452	\$ 499,976
Samrat S. Khichij ⁽²⁾	\$ 1,124,996	\$ 3,374,969	\$ 0	\$ 3,999,979
Tilak Mandadi	\$ 1,524,993	\$ 4,574,969	\$ 0	\$ 0
Prem S. Shah	\$ 1,499,989	\$ 4,499,937	\$ 0	\$ 0

⁽¹⁾ Mr. Cowhey received RSUs as part of his annual award as a Senior Vice President prior to his appointment as Interim CFO. He also received an RSU award as compensation for his service as Interim CFO in 2023. See "Agreements with Named Executive Officers" for more details on Mr. Cowhey's compensation.

⁽²⁾ Mr. Khichij received a make-whole award when he joined the Company in February 2023. See "Agreements with Named Executive Officers" for more details on Mr. Khichij's compensation.

2023 PSU Summary

	Threshold	Target	Maximum
2023 Adjusted EPS	\$8.00	\$9.80 - \$10.10	\$11.00
Performance Scale	40%	100%	200%
% Payout	40%	100%	200%

rTSR Modifier

Performance Scale	<25%	25% - 50%	50% - 75%	>75%
Modifier %	-25%	Pro-rate from -25% to 0%	Pro-rate from 0% to +25%	+25%

No upward modifier will be applied if our absolute TSR is negative.

2024 Equity Awards

After considering feedback from investors and potential risks to attracting and retaining talent at a critical time for the Company, and based on market data and input from its independent compensation consultant, the MP&D Committee made the following adjustments to long-term incentive compensation for the 2024 performance year:

- Maintain Adjusted EPS metric with a 70% weighting but use a cumulative goal measured over the full three-year performance period.
- Add an additional metric with 30% weighting with objective targets that are measurable over a three-year period that support the strategic initiatives related to the commitments made at our December 2023 Investor Day.
- Maintain the rTSR modifier.
- Maintain a post-vesting holding period (for net shares) to align with stockholders. Beginning with the 2024 PSU grant reduce the post-vesting holding period to one-year to more closely align with market practice and provide more symmetry with stock option awards that vest over four-years.
- Add RSUs to move closer to market practice where nearly 70% of peers include a portion of equity awards in RSUs to better support retention and recruiting.
- 2024 equity mix for NEOs will be 60% PSUs, 20% RSUs and 20% stock options, maintaining a program that is heavily focused on performance while addressing recruiting and retention and continuing to balance risk and reward.

See pages 53-54 for a complete discussion of the MP&D Committee's rationale and considerations regarding the 2024 program.

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Compensation Discussion and Analysis

Prior PSU Performance Criteria

2021 PSUs - Performance was certified by the MP&D Committee in February 2024, following the three-year performance period. Net shares issued upon settlement are subject to a two-year holding period.

The following summarizes the final payout results and settlement of the 2021 PSU awards granted to Ms. Lynch and Messrs. Guentz and Shah (Messrs. Cowhey, Khichij and Mandadi were not employed by the Company at the time of the 2021 grant, and therefore did not receive 2021 PSUs):

NEO	2021 PSU Adjusted EPS* of \$8.99 at target	rTSR performance just above median (-53.3%) increased the payout level by 3.3%	CALCULATED PAYOUT = 103.3%
2021 - December 31, 2023; Vesting April 1, 2024; Subject to a mandatory two-year holding period			
Based on 2023 Adjusted EPS* with target set at \$8.99 - \$9.09 in March 2021 and granted in April 2021			
Subject to an rTSR modifier (+/- 25%)			

⁽¹⁾ Adjusted EPS and 2023 PSU Adjusted EPS are non-GAAP financial measures. See Annex A to this proxy statement for a reconciliation of these and other non-GAAP financial measures to the most directly comparable GAAP financial measures.

2021 PSU Summary

	Threshold	Target	Maximum
2021 Adjusted EPS	\$8.99	\$8.99 - \$9.09	\$9.49
Performance Scale	40%	100%	200%
% Payout	40%	100%	200%

rTSR Modifier

Performance Scale	<25%	25% - 50%	50% - 75%	>75%
Modifier %	-25%	Pro-rate from -25% to 0%	Pro-rate from 0% to +25%	+25%

No upward modifier will be applied if our absolute TSR is negative.

⁽¹⁾ Adjusted EPS is a non-GAAP financial measure. See Annex A to this proxy statement for a reconciliation of Adjusted EPS and other non-GAAP financial measures to the most directly comparable GAAP financial measures.

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Compensation Discussion and Analysis

2022 PSU Summary

Performance will be certified in February 2025, following the three-year performance period. Net shares issued upon settlement, if any, will be subject to a two-year holding period. Maximum payout after calculation (including application of modifier) cannot exceed 200% of the PSUs awarded.

	Threshold	Target	Maximum
2024 Adjusted EPS	\$8.85	\$9.73 - \$9.83	\$10.81
Performance Scale	40%	100%	200%
% Payout	40%	100%	200%

rTSR Modifier

Performance Scale	<25%	25% - 50%	50% - 75%	>75%
Modifier %	-25%	Pro-rate from -25% to 0%	Pro-rate from 0% to +25%	+25%

No upward modifier will be applied if our absolute TSR is negative.

⁽¹⁾ Adjusted EPS is a non-GAAP financial measure. See Annex A to this proxy statement for a reconciliation of Adjusted EPS and other non-GAAP financial measures to the most directly comparable GAAP financial measures.

2023 Compensation Peer Group

2023 Selection Process: The MP&D Committee uses various data sources, including peer groups, to assess financial performance and compensation competitiveness. While peer groups represent a broad group of potential competitors for executive talent across various industries, peer group data serves as only one reference point for the MP&D Committee in evaluating our compensation program.

On an annual basis, the MP&D Committee, with the assistance of its independent compensation consultant, completes a peer group review to determine the most relevant companies for which we compete for talent and capital. The criteria used to identify companies for the peer group include, but are not limited to, size, complexity, business scope, industry and business similarity. The diversified peer group, comprised of 50 companies, remained unchanged in 2023 (the "2023 Compensation Peer Group"). The MP&D Committee utilized the 2023 Compensation Peer Group to set 2023 compensation levels, along with other factors as discussed in "Pay Positioning" on page 70. Full year 2023 median revenues for the 2023 Compensation Peer Group were \$101 billion. CVS Health's full year 2023 total revenues of \$35.78 billion rank at the 93rd percentile relative to the 2023 Compensation Peer Group.

The MP&D Committee will continue to review the Company's peer group annually.

CVS Health 2023 Compensation Peer Group

<ul style="list-style-type: none"> AbbVie Inc. Bristol Myers Squibb Company Cardinal Health, Inc. Cencora, Inc.⁽¹⁾ Centene Corporation The Cligma Group Elevance Health, Inc. 	<ul style="list-style-type: none"> HCA Healthcare, Inc. Humana Inc. International Business Machines Corporation Johnson & Johnson McKesson Corporation Merck & Co., Inc. 	<ul style="list-style-type: none"> Microsoft Corporation Pfizer Inc. Target Corporation UnitedHealth Group Incorporated Walgreens Boots Alliance, Inc. Walmart Inc.
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⁽¹⁾ AmericanSurgical Corporation was renamed Cencora, Inc. in August 2023.

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Key Examples

Chord Energy 2024 Proxy Statement

Discussion of atypical grant year due to M&A activity, includes overview of outstanding equity and impact of merger on vesting

Executive Compensation Matters

unconsolidated affiliate of \$10.8 million. See "Non-GAAP Financial Measures" in the Company's earnings release furnished as exhibit 95.1 to the Current Report on Form 8-K filed with the SEC on February 21, 2024 for additional information on Adjusted EBITDA, including a reconciliation to the most directly comparable financial measures under US GAAP.

(2) Cash O&A is a non-GAAP financial measure. The Company defines Cash O&A as total general and administrative ("G&A") expenses less G&A expenses directly attributable to the merger of equals with Whiting, non-cash equity-based compensation expenses and other non-cash charges. See "Non-GAAP Financial Measures" in the Company's earnings release furnished as exhibit 95.1 to the Current Report on Form 8-K filed with the SEC on February 21, 2024 for additional information on Cash O&A, including a reconciliation to the most directly comparable financial measures under US GAAP.

(3) Finding and development ("F&D") represents the net-operated drilling and completion costs for wells brought to production in 2023 divided by the net EUI of those wells.

(4) The Company achieved an annual absolute TSR result greater than 10% resulting in a positive 10% modifier applied to the total scorecard result.

As shown in the table above, weighted results across the metrics produced a total scorecard rating of 98.6%. Applying the TSR modifier multiple of 1.1x led to a final rating of 108.5%. Therefore, for 2023, the Committee approved, and our Named Executive Officers received, payment of the performance-based cash incentive awards at 108.5% of their 2023 cash incentive targets, in the amounts set forth below.

	2023 Target Annual Incentive Award	2023 Actual Annual Incentive Award
Daniel E. Brown	\$ 1,020,000	\$ 1,108,700
Michael H. Lou	\$ 500,000	\$ 542,500
Charles J. Rimmer	\$ 500,000	\$ 542,500
Shannon B. Kinney ⁽¹⁾	\$ 197,655	\$ 214,455

⁽¹⁾ Ms. Kinney's annual incentive award was pro-rated for the period from July 18, 2023 through December 31, 2023.

2023 Long-Term Incentive Awards

Our 2023 long-term incentive program was not indicative of a typical year for us. As described under "Actions Taken for the 2024 Fiscal Year" the Company has established and implemented a long-term incentive program for 2024, which consists of grants of absolute TSR and relative TSR PSU's, as well as time-vested RSUs.

For 2023, instead of making awards pursuant to a similar program, the Committee reviewed the awards then outstanding to Executives, which were originally granted under legacy Whiting and Oesha plans, and made recommendations to supplement the existing incentives with the 2023 RSU awards described below.

In the Fall of 2022, the Committee analyzed and evaluated the Company's executive compensation program, including the outstanding equity awards. The Committee considered the completed 2022 Merger and the increased size and complexity of the combined company. As a result, the Committee recommended, and the Board approved, the grants of the 2023 RSUs to Messrs. Brown, Lou, and Rimmer. The 2023 RSU awards, which cliff vest in January 2026, were intended to bring total compensation for our Named Executive Officers in line with market compensation for their positions and to be reflective by adding value at a vesting date beyond the vesting periods for the existing awards. Please see the illustration under "Overview of Outstanding Equity" below. The Committee considered peer data and Meridian's recommendations in approving the 2023 RSU awards.

At the beginning of 2023, our Named Executive Officers (except for Ms. Kinney) received the 2023 RSUs in the amounts set forth below, which 2023 RSUs will cliff vest on January 1, 2026, the third anniversary of the grant date, subject to the applicable Named Executive Officer's continued employment through until such date.

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Executive Compensation Matters

	2023 RSUs Granted (B)	Approximate Grant Date Fair Value
Daniel E. Brown	7,347	\$ 1,000,000
Michael H. Lou	3,673	\$ 500,000
Charles J. Rimmer	12,490	\$ 1,700,000

Ms. Kinney joined the Company in July 2023 and received an award of 19,882 RSUs on August 1, 2023, in connection with the start of her service as Executive Vice President, General Counsel and Corporate Secretary of the Company. Ms. Kinney's award vests in three equal installments on the first, second, and third anniversaries of the grant date, subject to her continued employment through until such date.

Overview of Outstanding Equity

The following table illustrates the legacy awards in place as of December 31, 2022 and the addition of the RSUs granted in 2023.

	2021	2022	2023	2024	2025	2026
Legacy Long-Term Incentive Awards Outstanding as of December 31, 2022 (Brown and Lou)						
2021 RSUs	25% vested	25% vests	25% vests	25% vests		
2021 LSIUs ⁽¹⁾	Earned at 300% in connection with 2022 Merger		Cliff vests in 2024	Cliff vests in 2025		
2021 PSUs	Earned at 121.875% in connection with 2022 Merger	50% vests on 1/23/2023	50% vests on 1/23/2024	50% vests on 1/23/2024		
2021 PSUs (Plex Group)	Earned at 200% in connection with 2022 Merger	50% vests on 1/23/2023	50% vests on 1/23/2024			
Legacy Long-Term Incentive Awards Outstanding as of December 31, 2023 (Rimmer)						
2021 RSUs	33.3% vested	33.3% vests	33.3% vests			
2021 RSUs		33.3% vests	33.3% vests	33.3% vests	Cliff vests in 2026	
2022 RSUs			33.3% vests	33.3% vests	33.3% vests	
2021 PSUs	Earned at 200% in connection with 2022 Merger	Cliff vests on 1/23/2023				
2022 PSUs	Earned at 100% in connection with 2022 Merger		Cliff vests on 1/23/2024			
Long-Term Incentive Awards Granted in 2023						
2023 RSUs						Cliff vests in 2026
2023 RSUs (Ms. Kinney only ⁽²⁾)			33.3% vests	33.3% vests	33.3% vests	

⁽¹⁾ 2021 LSIUs are absolute TSR PSU's.

⁽²⁾ Awards granted as of January 1, 2023 to Messrs. Brown, Rimmer, and Lou.

⁽³⁾ Award granted as of August 1, 2023 to Ms. Kinney in connection with her joining the Company.

2024 Proxy Statement | ChordEnergy | 69



Key Examples

Marsh & McLennan 2024 Proxy Statement

Includes math calculation, alternate presentation of slide bar results, overall payout and overview of outstanding equity awards

EXECUTIVE COMPENSATION (Continued)

PSU Awards

The performance measure for PSU awards, which represent 50% of the 2024 annual LTI compensation for our senior executives, is adjusted EPS growth as modified for executive compensation purposes and measured on a three-year annualized growth rate basis. The PSUs granted since 2020 also include a modifier based on the Company's three-year TSR versus S&P 500[®] constituents. Depending on our actual financial performance results, along with relative TSR performance for the PSUs granted since 2020, 0% to 200% of the number of PSUs granted is delivered in shares of our common stock. The following tables provide the payout (as a percentage of target) for maximum, target and threshold performance levels for the 2021 through 2024 awards. The Compensation Committee sets the performance levels after reviewing our financial strategy, the design of PSU awards at peer group companies and historical EPS growth data for S&P 500[®] constituents. At the time of setting the target and determining the payouts at varying levels of performance for these awards, the Compensation Committee believed that achievement of the target for annualized adjusted EPS growth was a challenging goal.

The payout of the PSU awards are determined as follows.

Number of PSUs VESTED

×

EPS Performance Factor

×

Relative TSR Modifier

=

Number of Shares DELIVERED

0% to 200% 0.75x to 1.25x Capped at 1.00x if absolute TSR is negative for 3-year period 0% to 200% Capped at 200%

The financial performance measures used in the PSU awards granted in 2021 to 2024 are defined in "Definitions of Financial Performance Measures" on page 40.

Performance and Payout Levels for Our 2021 to 2024 PSU Awards

The adjusted EPS growth measure for our PSU awards is shown in the following table. The three-year target for annualized adjusted EPS growth is 8% for our PSU awards granted in 2022 and 2023. In light of uncertainty in the business environment related to the pandemic, for the 2021 PSU award, the Compensation Committee set the three-year target at 7% which reflected a 6% growth target for 2021 and 8% for the remaining two years. As noted previously, the Compensation Committee aims to set rigorous performance levels taking into account our financial strategy, the design of PSU awards at peer group companies (including growth targets) and historical EPS growth data for S&P 500[®] constituents.

Performance Level	Annualized Adjusted EPS Growth	Performance Factor (at a % of target)
Maximum	Target plus 4 percentage points (or higher)	200%
Target	Target	100%
Threshold	Target minus 4 percentage points	50%
Below Threshold	Lower than target minus 4 percentage points	0%

Note: Interpolation is used to determine the adjusted EPS growth performance factor (as a percentage of target) for a performance result between threshold/target or target/threshold.

Marsh & McLennan Companies, Inc. Notice of Annual Meeting and 2024 Proxy Statement 40

EXECUTIVE COMPENSATION (Continued)

The relative TSR modifier for our PSU awards is provided in the following table.

Performance Level	Relative TSR (versus S&P 500 [®] constituents)	Relative TSR Modifier (at a % of target)
Maximum	75th percentile	1.25x
Target	50th percentile	1.00x
Minimum	25th percentile	0.75x

Note: Interpolation is used to determine the relative TSR modifier (as a percentage of target) for a performance result between threshold/target or target/threshold.

Performance Results for Our 2021 PSU Awards

The following charts show three-year results for the 2021 PSU awards granted to our senior executives. Our 17.9% annualized adjusted EPS growth and 85th percentile relative TSR versus S&P 500[®] constituents were each above maximum, qualifying for a 200% EPS performance factor and 1.25x relative TSR modifier. The PSU payout for the 2021 PSU award was 200% of target, as discussed in the next section.

THREE-YEAR ADJUSTED EPS GROWTH

Actual: 17.9%

Target: 7%

Threshold: 3%

Maximum: 11%

THREE-YEAR RELATIVE TOTAL SHAREHOLDER RETURN

Actual: 85th Percentile

Target: 50th Percentile

Minimum: 25th Percentile

Maximum: 75th Percentile

Three-Year Adjusted EPS Growth*	Factor	Three-Year Relative TSR**	Modifier
Maximum	≥11%	200%	75th percentile or higher
Target	7%	100%	50th percentile (median)
Threshold	3%	50%	25th percentile or lower
Below Threshold	<3%	0%	

* The adjusted EPS growth and relative TSR measures used in the PSU awards are defined in the "Definitions of Financial Performance Measures" on page 40.

** Relative TSR is measured versus S&P 500[®] constituents. Capped at 1.00x if negative TSR is negative.

Note: Relative TSR modifier between minimum/target or target/maximum will be interpolated in order to determine the modifier.

Summary of PSU Awards Granted from 2021 through 2023

The table below summarizes the three-year performance periods for PSU awards granted from 2021 to 2023, including the payout at 200% of target for our 2021 PSU award based on 17.9% annualized adjusted EPS growth as modified for executive compensation purposes. As discussed previously, the PSU awards granted also include a modifier based on the Company's three-year TSR versus S&P 500[®] constituents. For the 2021 PSU award, our three-year TSR was above the 75th percentile versus S&P 500[®] constituents, which resulted in the maximum 1.25x relative

Marsh & McLennan Companies, Inc. Notice of Annual Meeting and 2024 Proxy Statement 41

EXECUTIVE COMPENSATION (Continued)

The relative TSR modifier, however, the modifier had no impact on the actual payout of awards since they were capped (by design) at the maximum 200% of target based on our adjusted EPS growth alone. The adjusted EPS growth and relative TSR measures used in the PSU awards are defined in "Definitions of Financial Performance Measures" on page 40.

Award	Status	Adjusted EPS Growth			Annualized EPS Result	EPS Performance Factor	Relative TSR Result	Relative TSR		EPS Performance Factor x Relative TSR Modifier
		2021	2022	2023				Percentile Versus S&P 500 [®] Constituents	Relative TSR Modifier	
2021 PSU	Completed (2 of 3 yrs)	20.9%	14.6%	18.8%	17.9%	200%	75th	85th	1.15x	200%
2022 PSU	In Progress (2 of 3 yrs)	14.6%	18.8%	7.0%	16.7%	100%	13.9%	69th	1.15x	100%
2023 PSU	In Progress (1 of 3 yrs)	18.8%	7.0%	7.0%	14.8%	100%	13.9%	58th	1.00x	100%

* PSU payouts are capped at 200%. EPS performance factor multiplier is based on the relative TSR modifier.

The actual payout for 2022 and 2023 PSU awards will depend on three-year performance, except under certain circumstances that may require earlier measurement of results, such as the death of a participant or a change in control of the Company.

Marsh & McLennan Companies, Inc. Notice of Annual Meeting and 2024 Proxy Statement 42



CEO/NEO Scorecards

Over the last few years, we have seen a trend toward using compensation scorecards, which explain in one place the compensation decisions and individual performance factors considered for each named executive officer. Scorecards provide additional transparency around the compensation process and respond to the SEC's requirement that the CD&A disclose how individual performance affects pay.

What to Think About

Investors want to understand the factors the compensation committee considers and how the actual compensation paid to an officer was tied to their performance accomplishments--especially when the committee has some discretion.

Compensation scorecards can be simple, depicting only an officer's salary and annual and long-term incentives, but many are more involved. Other common features include:

- graphics showing the actual amounts paid during the year compared to the target amounts awarded
- thumbnail headshots
- an overview of the officer's responsibilities
- a summary of the officer's accomplishments during the year (where relevant, compared to any goals previously set)
- biographical information and professional background
- expected compensation adjustments for the year to come

Finally, to alleviate investor and proxy advisor concerns, scorecards should describe how discretion was used, if at all. Many companies provide a scorecard for each named executive officer, but some only include a fulsome scorecard for the CEO and summary descriptions for the other named executives.

We believe comprehensive summaries are helpful, particularly when individual performance is considered in determining compensation or when performance metrics are not the same for all of the executives. Scorecards are best placed at the start of the CD&A to provide context for the discussion that follows or near the end--after the various compensation components are explained--to summarize the compensation story.

Labrador Transparency Award Criteria

- The CD&A includes a consolidated presentation of each individual NEO's role, performance and total direct compensation (e.g., "NEO pay summary" or "scorecard").



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Benchmarking

CEO/NEO Scorecards

48.0%

CD&A includes a discussion or presentation of each individual NEO's role, performance and total direct compensation



Scorecard includes:

91.7%

How each NEO performed (narrative text)



64.6%

Annual incentive payout



83.3%

NEO's role/position



56.3%

Long-term incentive payout



45.8%

Target pay opportunity



60.4%

Total direct compensation (actual)



Key Examples

International Paper 2024 Proxy Statement

For each NEO, summarizes professional background, explains each element of compensation, and shows target pay against actual pay

Table of Contents Compensation Discussion & Analysis (CD&A) / SNEC Compensation

Mark S. Sutton
Chairman of the Board and Chief Executive Officer

Mark Sutton has 32 years of service with the Company and was appointed CEO effective November 2014 and Chairman of the Board effective January 2015. Mr. Sutton served as President and Chief Operating Officer from June through October 2014, prior to which he was Senior Vice President, Industrial Packaging, a title he assumed in November 2011. Prior to that role, he led our Printing and Communication Papers business units from January 2010. He previously served as Senior Vice President, Supply Chain from March 2008 through 2009, Vice President, Supply Chain from June 2007 through February 2008, and Vice President, Strategic Planning from January 2005 through May 2007.

Element of Compensation	Compensation Amount	Rationale
2023 Base Salary	\$1,450,000 (no base salary increase in 2023)	No adjustment was made to Mr. Sutton's base salary as it was determined by the Board of Directors to be within our targeted market range.
2023 AIP Award	\$403,700 (22.7% combined Company and individual performance achievement)	Mr. Sutton's AIP payment was awarded at 22.7% of target (reflecting 100% for individual performance) and this was based solely on the Company's performance achievement.
2024-2023 PSP Payout	178,816 shares, including reinvested dividends and an anti-dilution adjustment (related to the spin-off of Sylvamo) (valued at \$6,305,065 including a fractional share)	PSP payout of 75.17% was based solely on the Company's performance achievement in Adjusted EBITDA and relative TSR described in Section 4.

The chart below compares Mr. Sutton's 2023 actual compensation paid against targeted compensation amounts.

Element of Compensation	Target	Actual
Base Salary	100%	100%
Annual Incentive Payout	15%	6%
Long-Term Incentive Payout	74%	76%
Total Direct Compensation	\$14,000,000	\$8,240,765

Target LTIs is based on 196,083 target shares valued at \$32.75, using the 30-day average stock price as of December 31, 2023.
Actual LTIs is based on 178,816 shares, which includes the original target shares plus reinvested dividends and an anti-dilution adjustment related to the spin-off of Sylvamo, multiplied by 75.17% performance achievement and valued at \$35.26, the Company's closing share price on February 9, 2024.

www.internationalpaper.com /69

Kraft Heinz 2024 Proxy Statement

Summarizes the NEO's role and explains target and actual compensation and changes for the year

Company Voting Shareholder Our Director Board/Executive Compensation Audit Shareholder Other Appendix A
Overview Roadmap Engagement Board Governance Compensation Ownership Matters Proposals Information Non-GAAP

2023 NEO Compensation Snapshots

MIGUEL PATRICIO
CEO AND CHAIR OF THE BOARD

13% RSUs
30% PSUs
35% Base Salary
28% Performance Bonus Plan at Target
20% Matching RSUs

As CEO, Mr. Patricio was responsible for managing execution of the Company's long-term strategy, driving key new business opportunity developments and financial performance, and setting the tone for Company culture, ethics, and compliance.

Category	Actual	Base Salary	Performance Bonus Plan	Annual Equity Award
Base Salary	\$1,100,000	\$1,100,000	\$3,367,880	\$3,500,000 PSUs
Performance Bonus Plan	\$3,367,880			\$1,500,019 RSUs

CHANGES IN 2023
In connection with the Compensation Committee's annual review process, and in consultation with the compensation consultant, the Committee completed an analysis of Mr. Patricio's total direct compensation package and approved an increase in his annual base salary from \$1 million to \$1.1 million, an annual equity award consistent with our other NEOs, and revised the Bonus Investment opportunity from 50% to 30%, which is the same as other eligible employees, effective January 1, 2023, the first day of our 2023 fiscal year.
* Mr. Patricio stepped down as Chief Executive Officer effective December 30, 2023, the last day of our 2023 fiscal year, and became non-executive Chair of the Board.

64 **Kraft Heinz** 2024 Proxy Statement



Key Examples




CVS Health 2024 Proxy Statement

Summarizes the NEO's history with the company and compensation for the year

AIG 2024 Proxy Statement

Provides detail about the NEO's achievements in four categories relevant to the annual incentive award and then shows how the bonus amount was calculated

Compensation Discussion and Analysis

 <p>Samrat S. Khichi EVP, Chief Policy Officer and General Counsel</p> <p>Current and Prior Roles Mr. Khichi has served as Executive Vice President, Chief Policy Officer and General Counsel since February 2023. Prior to that, he served as Executive Vice President, Corporate Development, Public Policy, Regulatory Affairs and General Counsel at Becton, Dickinson and Company ("BD"). He joined BD through the acquisition of C. R. Bard and Company, where he served as Senior Vice President, General Counsel and Secretary, and previously was the Chief Administrative Officer, Senior Vice President and General Counsel at Catalent Pharma Solutions.</p>	<p>2023 Compensation</p> <p>Base Salary: \$950,000</p> <p>Annual Cash Incentive (MPI) \$328,000 (equal to 83.1% funding for Company, with an individual performance modifier of 100%, based on target at 100% of salary)</p> <p>2023 Granted Compensation</p> <p>Annual Awards \$4.5 million grant date fair value granted as 75% PFDs, 25% stock options</p> <p>Make-Whole Awards Received one-time awards consistent with the economic equivalent of the cash and equity that he was required to forfeit from his prior employer as follows:</p> <ul style="list-style-type: none"> Cash award of \$2.0 million Equity awards of \$4.2 million in PFDs vesting ratably over four years The above awards are subject to vesting and repayment provisions All awards bear equal compensation weights and fully vested (assuming annual cash incentive and annual equity awards) equivalent to the sum of the individual payments in the Company. <p>177% at-risk</p>
 <p>Tilak Mandadi EVP and Chief Digital, Data, Analytics and Technology Officer</p> <p>Current and Prior Roles Mr. Mandadi has been our Executive Vice President and Chief Digital, Data, Analytics and Technology Officer since July 2022. Previously, he was Chief Strategy Officer at MGM Resorts International. Prior to MGM, Mr. Mandadi was Executive Vice President of Digital and Chief Technology Officer at Disney. Prior to Disney, he led global transformation, including cards, consumer travel and banking, at American Express.</p>	<p>2023 Compensation</p> <p>Base Salary: \$1.0 million</p> <p>Annual Cash Incentive (MPI) \$1246 million (equal to 83.1% funding for Company, with an individual performance modifier of 100%, based on target at 100% of salary)</p> <p>2023 Granted Compensation</p> <p>Equity Awards \$6.5 million grant date fair value granted as 75% PFDs and 25% stock options</p> <p>89% at-risk</p>
 <p>Prem S. Shah EVP, Chief Pharmacy Officer and President, Pharmacy & Consumer Wellness</p> <p>Current and Prior Roles Mr. Shah is Executive Vice President, Chief Pharmacy Officer and in September 2023 became the President, Pharmacy & Consumer Wellness, after previously serving as Co-President since January 2022. Prior to his current role, Mr. Shah spent his entire 11-year CVS Health career in roles providing strategic oversight of key Specialty Pharmacy functions. Prior to joining CVS Health, he was Senior Vice President of ECORE Healthcare, a Magellan Health Services company.</p>	<p>2023 Compensation</p> <p>Base Salary: \$950,000</p> <p>Annual Cash Incentive (MPI) \$1,421 million (equal to 83.1% funding for Company, with an individual performance modifier of 100%, based on target at 100% of salary)</p> <p>2023 Granted Compensation</p> <p>Equity Awards \$6.0 million grant date fair value granted as 75% PFDs and 25% stock options</p> <p>89% at-risk</p>

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Compensation Discussion and Analysis 2023 Compensation Decisions and Outcomes

Kevin T. Hogan
President & Chief Executive Officer, Corebridge Financial, Inc.

Inter-related Overview

<p>Financial</p> <ul style="list-style-type: none"> Achieve Corebridge's 2023 financial performance goals Maintain strong balance sheet and capital management discipline <p>Strategic</p> <ul style="list-style-type: none"> Fully integrate best-in-class partnerships and third-party asset management capabilities <p>Operational</p> <ul style="list-style-type: none"> Simplify Corebridge's operating model Deliver on Corebridge Forward, Corebridge's expense savings and modernization initiative <p>Organizational</p> <ul style="list-style-type: none"> Promote culture of integrity and risk management Retain and attract leading and diverse talent 	<p>Delivered strong 2023 financial results for Corebridge</p> <ul style="list-style-type: none"> Pre-Tax Income was \$840 million, Adjusted Pre-Tax Operating Income* was \$3.2 billion, an increase of \$339 million year-over-year Delivered RoE of 10.7 percent, Improved Adjusted ROE* by 90 basis points year-over-year Achieved Operating Earnings* of \$4.10 per share, exceeding consensus and target management objectives <p>Returned over \$1.2 billion to Corebridge shareholders through \$388 million in regular dividends, \$1.1 billion in special dividends and \$488 million of share repurchase</p> <ul style="list-style-type: none"> Opportunistically paid off \$1.25 billion of Corebridge's remaining outstanding \$1.5 billion Delayed Draw Term Facility balance using proceeds from Corebridge senior note issuances, reducing interest expense Maintained strong Corebridge parent company liquidity, ending the year with \$1.6 billion <p>Successfully completed outsourcing strategies, representing approximately \$86 million in expense savings</p> <ul style="list-style-type: none"> Completed integration of third-party asset managers (BlackRock and Blackstone Inc.) into Corebridge's Investments data environment Established relationships with key stakeholders, including investors, analysts, rating agencies and regulators <p>Facilitated simplification of Corebridge's operating model via completed sale of Lays in October 2023 and entry into a definitive agreement to sell Corebridge's UK Life business</p> <ul style="list-style-type: none"> Reorganized Corebridge operations, including Legal, Compliance and Regulatory and Enterprise Risk Management functions Delivered substantial operational and physical separation from AIG and further implemented standalone infrastructure Executed or contracted for over 85 percent of targeted savings via Corebridge Forward Substantially progressed implementation of BlackRock's Aladdin platform within Investments <p>Engaged employees through various internal events, including Corebridge's second annual Diversity, Equity, Inclusion and Belonging Month</p> <ul style="list-style-type: none"> Recruited diverse, industry-leading talent to executive and senior leadership roles throughout Corebridge Initiated company-wide, multi-year governance and controls projects with respect to financial controls, risk management and compliance functions
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Kevin T. Hogan Individual Performance Score: 104%

Based on these accomplishments, the CMRC determined that Mr. Hogan delivered consistent high-quality performance in 2023. As a result, the CMRC approved an Individual Performance of 104 percent, which, when combined with the Corebridge quantitative Business Performance Score, resulted in an STI payment of \$3,950,000, representing 144 percent of target.

Target Short-Term Incentive Award \$2,250,000	×	Business Performance Score 139%	×	Individual Performance Score 104%	=	Actual Short-Term Incentive Award (\$144% of Target) \$3,950,000
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58 AIG 2024 PROXY STATEMENT



Key Examples

Walmart 2024 Proxy Statement

Summarizes accomplishments for the year and provides detail about the NEO's incentive payouts

Executive Compensation

John David Rainey EVP and CFO

Fiscal 2024 highlights

- We drove improvements in ROI by 230 bps to 15%, a level last achieved in 2017.
- We returned \$8.8 billion to shareholders in the form of dividends and share repurchases, and increased our fiscal 2023 dividend by 5%, the largest increase in over a decade.
- We generated over \$3.3 billion in operating cash flow, an increase of nearly 24%.

Fiscal 2024 Target TDC
\$11.5 million

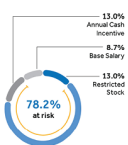
Fiscal 2024 incentive payouts

Annual cash incentive. As our CFO, Mr. Rainey's annual cash incentive is based on the total company operating income and sales performance, as described above on pages 64-65.

Performance Metric	Weighting	Performance (% of Target)	Payout (% of Target)	Fiscal 2024 Incentive Payout
Total Company Cl	50%	125%	125%	\$1,875,000
Total Company Sales	50%	125%	125%	

Long-term incentive. Mr. Rainey's long-term performance equity is based on the total company sales and ROI performance, as described above on pages 66-67. The table below shows the fiscal 2024 performance (as a % of target) and the resulting number of Shares Mr. Rainey is scheduled to earn from his 2023 performance share grant with a vesting period ending January 31, 2025.

Performance Metric	Weighting	Fiscal 2024 Performance (% of Target)	Number of Shares Earned
Total Company Sales	50%	150%	236,895
Total Company ROI	50%		



13.0% Annual Cash Incentive

8.7% Base Salary

13.0% Restricted Stock

78.2% at risk

65.2% Performance Equity

Key compensation decisions for fiscal 2024

Fiscal 2024 was Mr. Rainey's first full year in role as he became CFO in June 2022. After considering the factors described on page 69, the CHDC made no changes to Mr. Rainey's target TDC for fiscal 2024. When compared to similar positions within our peer group companies, Mr. Rainey's fiscal 2024 target TDC was slightly below the 75th percentile.

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CEO Pay Ratio

Public companies are required to disclose the median annual total compensation of all employees of the registrant (except the CEO), the total compensation of the CEO, and the ratio between those two amounts. Companies must also include a narrative disclosure about the methodology used to identify the median employee, and any material assumptions or estimates used to determine the median employee and to calculate annual total compensation.

What to Think About

To date, CEO pay ratio does not appear to have a meaningful impact on SOP or director election votes. ISS and Glass Lewis review the ratio but don't consider it a determinative factor in their vote recommendations. Similarly, institutional investor voting guidelines generally do not reference pay ratio.

That said, criticism of a company's CEO pay ratio may be included as part of a list of concerning pay practices to garner support for a shareholder proposal or other contested event.

- **Format:** Typically disclosed in narrative format, with limited use of headings and bullet points.

- The narrative included with the pay ratio is technical since it details the assumptions and estimates used in determining the median employee and calculating total compensation.
- **Length and location:** Usually not more than one page and located after the executive compensation tables.
- **Supplemental ratios:** Some companies disclose supplemental information to show a different ratio after certain adjustments, such as:
 - exclude nonrecurring special equity awards or cash bonuses to the CEO,
 - calculate total compensation without a cost-of-living adjustment,
 - eliminate the change in pension value from the median employee and CEO's total compensation,
 - use target annual cash incentives instead of the actual annual cash incentive paid to the CEO, or
 - show the ratio compared to a median full-time employee if the median employee is part time.
- **Employee impact:** A company's employees may be one of the most interested stakeholders, particularly how his or her total compensation compares against both the CEO and the median employee. Although rare, a few companies with large employee bases include additional disclosure on talent development and engagement in this section.

Labrador Transparency Award Criteria



- CEO pay ratio and pay versus performance disclosures are included in the Table of Contents (or in separate Executive Compensation Table of Contents).



Benchmarking

CEO Pay Ratio

42.0%

CEO pay ratio section includes supplemental ratios

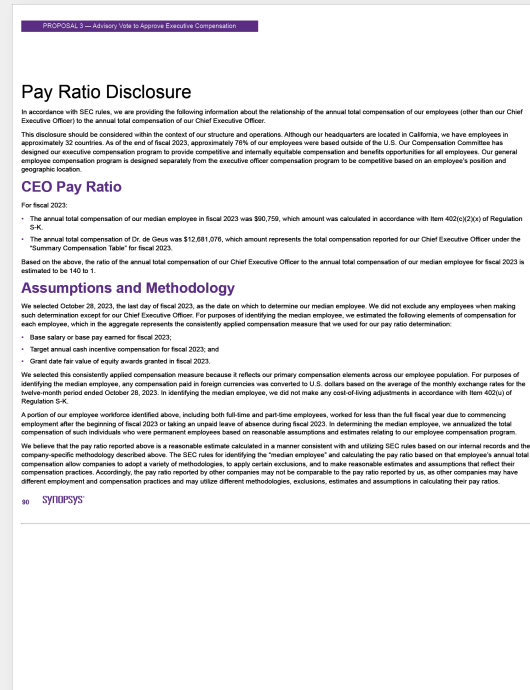


Key Examples

Synopsys 2024 Proxy Statement

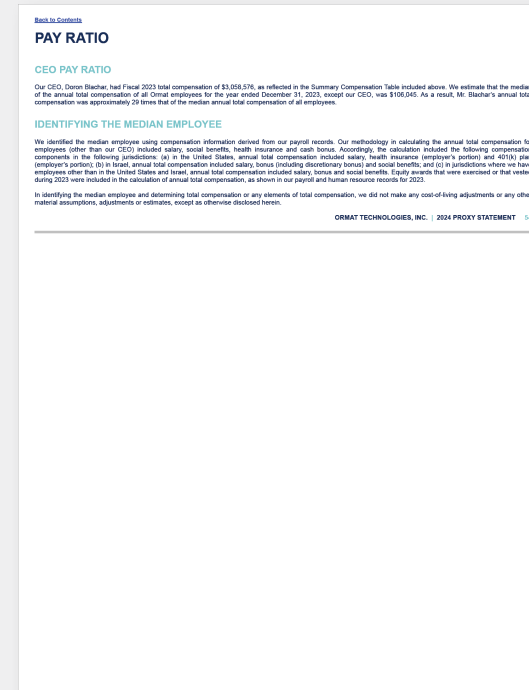


Narrative with subheadings and bullet point presentation



Ormat Technologies 2024 Proxy Statement

Narrative with subheadings





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Key Examples

Dick's Sporting Goods 2024 Proxy Statement



Bullet point presentation; also includes supplemental pay ratio excluding part-time and seasonal workers

CVS Health 2024 Proxy Statement

Long narrative format, starting with a lengthy discussion of employee engagement and development and highlighting a "Thank You Bonus" for front-line employees





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Key Examples

Allstate 2024 Proxy Statement

Includes highlighted box with calculation methodology in bullet point presentation

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2024 Proxy Statement
Executive Compensation

CEO Pay Ratio

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing information about the relationship of the annual total compensation of our employees to the annual total compensation of Mr. Wilson, our CEO. This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules.

To calculate the 2023 CEO pay ratio, we used the same median compensated employee that we used for purposes of calculating the CEO pay ratio for 2022, as there has been no meaningful change in our employee population or employee compensation arrangements that we believe would significantly impact the CEO pay ratio.

- the annual total compensation of our median employee was \$68,814, and
- the annual total compensation of our CEO, as reported in the Summary Compensation Table in this Proxy Statement, was \$16,487,957.
- The ratio of the annual total compensation of Mr. Wilson to our median employee was 239:1.

In 2022, to calculate the ratio, we followed SEC permitted rules and used the following methodology and material assumptions, adjustments, and estimates:

- December 31, 2022 was selected as the determination date as it enabled us to choose a pay date that aligned across our enterprise.
- As of December 31, 2022, our U.S. and non-U.S. employee population consisted of approximately 54,500 full-time, part-time, seasonal and temporary employees. Employees in all countries were included in the calculation, with the exception of 1,058 employees in Australia, Japan, Malta, Bermuda, Norway, Belgium, and Mexico (15, 17, 2, 5, 2, 1, and 1,016 in each jurisdiction, respectively).
- The Allstate agent population was excluded since they are not employees of Allstate or its subsidiaries.
- Total cash (base salary plus incentive compensation) was selected as the most appropriate and consistently applied compensation measure to determine the median worker since equity awards are not broadly distributed.
- Employee compensation was measured using a twelve-month look-back period ending December 31, 2022.
- Permanent employees hired in 2022 that did not work for the entire period had their compensation adjusted as if they were employed for the entire twelve-month period.
- For non-U.S. employees, an annual average was used for each of the exchange rates.
- After identifying the median worker based on total cash compensation, annual total compensation was calculated for that person using the same methodology used for the named executives in the Summary Compensation Table on page 89.
- For 2023, after validating that the median compensated employee from 2022 was still an active employee, annual total compensation was recalculated for 2023. The median employee's annual total compensation was \$68,814. The median employee was a claims analyst in the United States with total cash compensation of \$68,814 and a change in pension value of \$3,689.

The SEC rules for identifying the median of our employees and calculating the pay ratio allow companies to use a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect a company's employee population and compensation practices. For that reason, the pay ratio reported by other companies may not be comparable to the pay ratio reported above. Neither the committee nor management of the company used the pay ratio measure in making compensation decisions.

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Pay Versus Performance

In August 2022, the SEC adopted rules to implement a requirement mandated by the Dodd-Frank Act, requiring companies to disclose information about the relationship between executive compensation actually paid and the company's financial performance. Companies are also required to tag specific data points and disclosures in interactive data format using eXtensible Business Reporting Language (XBRL).

Most companies have taken the approach that less is more while waiting to see if a clear market practice develops. Overall, disclosures closely track the required information: the table, footnotes, list of most important measures and the narrative explaining the relationship between compensation actually paid and performance (which are typically presented through infographics with little additional discussion). Some companies include a lead-in paragraph or two before the required PvP table to level set that the disclosure is being provided in response to the new requirements or calculated in connection with the new rules but is not consistent with how their Compensation Committee seeks to align pay and performance when making compensation decisions (then referring readers to the CD&A). We believe the required PvP disclosures will not replace the disclosures in the compensation tables and CD&A on plan design, goal-setting rigor, and incentive plan payouts to help demonstrate to stakeholders the ultimate pay for performance aspect of the company's compensation program.



What To Think About

- **Where to include:** Companies typically place the new section under its own heading at the end of the compensation disclosures, most often after the CEO pay ratio discussion.
- **Company Selected Measure:** Much effort goes into the selection of the Company Selected Measure, which represents the most important financial performance measure that is not otherwise required to be disclosed in the PVP table and that is used by the company to link CAP in the most recently completed fiscal year to company performance. Common CSMs include: profit measures (such as EPS, EBITDA and operating or pre-tax profit), revenue, and return measures (such as return on equity, return on assets, return on capital/income or return on investment). Most CSMs are non-GAAP and tend to be the most heavily weighted financial measure used in a company's annual or long-term equity incentive plan.
- **Footnotes to the PVP Table:** Footnotes are generally used liberally to explain the information in the table and provide the

most significant narrative transparency of the data presented. Companies use differing practices in disclosing their assumptions and how those might differ from the information presented in the Summary Compensation Table; however, we anticipate more consistency over time once more market precedent is available.

- **Peer Group:** With regard to the comparison of company TSR to peer group TSR, the significant majority of companies use the same industry index used in their Form 10-K stock performance graph rather than the peer group referenced in their CD&A.
- **List of Most Important Measures:** Most companies provide between three and five financial performance measures, with profit, TSR and revenue among the most common measures. Non-financial performance measures, such as operational or ESG- or DEI-related metrics, are included to a lesser extent. While companies are given the option to include a separate list of performance measures for the CEO and the other NEOs, most companies opt to provide a single list of performance measures and

include a simple list of measures without any additional explanation of what the measure is or how it is calculated.

- **Clear Description/Narrative:** In response to the requirement to provide a “clear description” of the relationship between paid compensation and the disclosed performance measures, the significant majority include infographics, such as bar or line graphs, for each financial measure in the table. Many present three graphics: (i) CEO CAP to TSR, NEO CAP to TSR and company TSR to peer group TSR, (ii) CEO CAP and NEO CAP versus net income and (iii) CEO CAP and NEO CAP versus the CSM. Many companies simply include the various graphics with no further explanation. Detailed narratives are most often included only where there is a lack of pay for performance demonstrated for one or more measures, such as in the case of a CEO transition or special equity awards.
- **Supplemental Disclosures:** Few companies volunteer supplemental disclosures. For companies who opt to do so in the future, it is important to comply with requirements in the rules that any such information must be: (i) clearly

identified as supplemental, (ii) not be misleading, and (iii) not be presented with greater prominence than the corresponding required PVP disclosure.

Labrador Transparency Award Criteria

- CEO pay ratio and pay versus performance disclosures are included in the Table of Contents (or in separate Executive Compensation Table of Contents).
- The pay versus performance section includes graphics to demonstrate the relationship between compensation actually paid (CAP) and applicable financial metrics.



[◀ Table of Contents](#) [Topic Table of Contents](#)

Looking Ahead

Companies should continue to monitor developing disclosure trends, particularly among their proxy peer group, and take into account all CD&Is and comment letters issued by the SEC to guide possible changes to their 2025 PVP discussions.

Best practices will continue to evolve as companies formulate their pay-for-performance approach in response to these initial years of disclosure and as investors determine how they will incorporate the additional information into their company review processes.

Benchmarking

Pay Versus Performance

Location of Pay vs. Performance discussion:

89.0%

Located directly after the executive compensation tables



Average number of pages of PVP disclosure: **3.78 pages**

88.0%

The pay vs. performance section includes graphics





Table of Contents Topic Table of Contents

Key Examples

Allstate 2024 Proxy Statement

Concise, 2 page example

2024 Proxy Statement Executive Compensation

Pay Versus Performance Table

As required by the SEC rules and aligned with item 402(v) of Regulation S-K, detail is provided in the pay versus performance table. The table represents the relationship between our Financial Executive Officer ("FEO") and Non-PEO NEOs compensation actually paid ("CAP") with respect to key financial performance measures of the company. For additional information regarding Allstate's pay for performance philosophy and how the company aligns NEO compensation, refer to the CDAA beginning on page 67.

Year	Summary Compensation Table Total for FEO (\$M)	Compenstion Actually Paid for FEO (\$M)	Average Compensation Table Total		Average Compensation Table Total		Shareholder Return (%)	Peer Group Total Shareholder Return (%)	Net Income (\$ in millions)	Performance Net Income (\$ in millions)
			Non-PEO NEOs (\$M)	PEO (\$M)	Non-PEO NEOs (\$M)	PEO (\$M)				
2023	\$ 16,487,957	\$ 8,025,133	\$ 4,477,500	\$ 2,968,301	138	158	131	\$ 316	\$ 1,122	
2022	\$ 16,020,001	\$ 30,023,131	\$ 3,498,306	\$ 4,852,665	130	149	131	\$ 149	\$ 426	
2021	\$ 19,066,920	\$ 27,585,626	\$ 5,548,209	\$ 7,666,840	110	131	131	\$ 1,485	\$ 3,689	
2020	\$ 21,126,386	\$ 26,023,346	\$ 5,228,904	\$ 6,270,230	100	101	101	\$ 5,461	\$ 4,967	

2023 | **2022** | **2021** | **2020**

Compensation Actually Paid	2023	2022	2021	2020
Summary Compensation Table (SCT)	\$16,487,957	\$30,023,131	\$19,066,920	\$21,126,386
Deduction: SCT Change in Actuarial Value of Pension	\$ -	\$(119,512)	\$ -	\$(1,781)
Deduction: SCT Stock Award Amount	\$17,883,163	\$1,079,020	\$1,523,242	\$1,617,743
Deduction: SCT Option Award	\$4,600,668	\$1,010,741	\$4,290,941	\$1,092,713
Amount	\$ 8,025,133	\$ 8,932,648	\$ 5,272,217	\$ 6,026,592
Addition: Personal Service Cost	\$ 141,803	\$ 58,648	\$ 236,020	\$ 42,728
Addition: Change in Net Value	\$ 206,720	\$ 3,029,030	\$ 521,981	\$ 484,767
Amount	\$ 8,235,133	\$ 13,060,356	\$ 5,800,218	\$ 6,574,087
Addition: Change in Net Value of Unvested Equity Awards	\$17,028,790	\$11,369,350	\$7,655,221	\$13,308,444
Addition: Fair Value of Unvested Equity Awards at the Beginning of the Fiscal Year that were forfeited during the fiscal year	\$ -	\$ -	\$ -	\$ -
Addition: Fair Value at the End of the Fiscal Year of Awards Granted during the Fiscal Year that were unvested at year-end	\$ -	\$ -	\$ -	\$ -
Deduction: Fair Value of Unvested Equity Awards at the Beginning of the Fiscal Year that were forfeited during the fiscal year	\$ -	\$ -	\$ -	\$ -
Amount	\$ 8,235,133	\$ 13,060,356	\$ 5,800,218	\$ 6,574,087

Our peer group used for the TSR calculation is the same as our compensation benchmarking peer group, as displayed in the CDAA on page 73. Our 2023 peer group has been modified from that which was utilized in our pay versus performance disclosure for 2022. Pursuant to SEC guidance, all peer TSR values in the Pay Versus Performance table have been calculated utilizing our 2023 peer group, and 2023 peer TSR utilizing the 2022 peer group is displayed below.

2024 Proxy Statement Executive Compensation

Pay Versus Performance Table

As required by the SEC rules and aligned with item 402(v) of Regulation S-K, detail is provided in the pay versus performance table. The table represents the relationship between our Financial Executive Officer ("FEO") and Non-PEO NEOs compensation actually paid ("CAP") with respect to key financial performance measures of the company. For additional information regarding Allstate's pay for performance philosophy and how the company aligns NEO compensation, refer to the CDAA beginning on page 67.

Year	Total Shareholder Return (%)	Peer Group Total Shareholder Return (%)	Value of Initial Fixed \$100 Investment Based On:	
			Total Shareholder Return (\$)	Peer Group Total Shareholder Return (\$)
2023	138	152	138	152
2022	130	149	110	131
2021	110	131	100	101
2020	100	100	100	101

2023 | **2022** | **2021** | **2020**

Financial Measures: The Allstate executive compensation programs reflect the pay-for-performance culture and supports shareholder alignment while also incentivizing our executives as noted throughout the CDAA beginning on page 67. For the annual and long-term incentive programs, the committee uses performance measures that align with the company's strategy, operating principles and priorities, and shareholder interest. (i) support the achievement of corporate goals, and (ii) reflect the company's overall performance. The most important performance measures used to understand CAP with respect to company's performance for Allstate NEOs for the most recently completed fiscal year are as follows:

- Performance Net Income (PNI)
- Performance Net Income Return on Equity (PNI ROE)
- Total Premiums
- Relative Total Shareholder Return (TSR)

Relationship Between CAP and Performance Measures in the Table: The following graphs provide a visual representation of the relationship between the CAP of our PEO and the average CAP of our Non-PEO NEOs as it relates to each financial measure noted in the pay versus performance table. The relationship between Allstate's TSR and our peer group TSR is reflected in the first graph - CAP vs Total Shareholder Return. Performance measures, timing of grants and outstanding vesting, share price volatility, and other factors impact CAP. The majority of CAP to our NEOs is closely connected to long-term awards under the long-term incentive plan primarily driven by Performance Net Income and relative TSR. Over the last three years, external factors, including rising inflation, have impacted Performance Net Income while Allstate's relative TSR has remained strong. The graphs below demonstrate:

- From 2020 to 2021, CAP to our PEO increased 4% and average CAP to our Non-PEO NEOs experienced a greater increase of 27%. In the same period our TSR increased from \$100 to \$110 (10%), while the net income measures fell. The continued increase in CAP as net income declined is a result of the fair value of the fair value of long-term incentive awards which closely aligns to the TSR which increased over the same period. The decline in Performance Net Income is a result of higher insurance losses and unfavorable reserve re-estimates.
- From 2021 to 2022, CAP to our PEO increased by just below 1% and average CAP to our Non-PEO NEOs experienced a decrease of nearly 37%. In the same period, our TSR increased from \$100 to \$130 (30%). Net income continued to decline. Allstate executive took re-estimates, resulting in continued TSR increases.
- From 2022 to 2023, CAP to our PEO decreased by 25% and average CAP to our Non-PEO NEOs decreased by roughly 36%. In the same period, our TSR continued to increase from \$130 to \$138 (6%). Although still negative, Net Income has improved greatly over 2022 results. Large decreases in CAP from 2022 to 2023 are primarily related to lower vesting value for 2023-2023 PNA, decreased TSA values for outstanding cycles and relatively flat unvested option valuation changes in 2023 compared to significant increases in unvested option re-estimates, resulting in continued TSR increases.

Allstate has seen continued growth in TSR from 2020 through 2023 with an aggregate growth rate of 38%, while our peer group has slightly outperformed at 50%.

For additional detail regarding Allstate's executive pay practices including incentive design and goal setting, compensation elements, compensation decisions, and governance practices see the CDAA beginning on page 67.

CAP vs Total Shareholder Return

CAP vs Performance Net Income

2023 | **2022** | **2021** | **2020**

Prudential Financial 2024 Proxy Statement

Text with infographics

2024 Proxy Statement Executive Compensation

Pay Versus Performance

The following section was prepared in accordance with Item 402(v) of the SEC's Regulation S-K.

The table below reflects certain information regarding executive compensation actually paid, as defined by Item 402(v) of the SEC's Regulation S-K, and certain measures of our financial performance for the four most recently completed fiscal years, 2020-2023. For further information concerning the Company's pay for performance philosophy and how the Company aligns executive compensation with the Company's performance, refer to our CDAA.

Year	Summary Compensation Table (SCT) Total for FEO (\$M)	Compenstion Actually Paid for FEO (\$M)	Average Compensation Table Total		Average CAP to Non-PEO NEOs (\$M)		TSR (%)	Peer Group Total Shareholder Return (%)	Net Income (\$M)	Adjusted EPS (\$)
			Non-PEO NEOs (\$M)	PEO (\$M)	Non-PEO NEOs (\$M)	PEO (\$M)				
2023	\$ 21,713,378	\$ 11,400,622	\$ 9,700,487	\$ 9,781,562	136	151	2,458	12.92		
2022	\$ 20,993,668	\$ 10,248,958	\$ 9,336,326	\$ 9,172,684	124	137	(4,438)	11.29		
2021	\$ 19,799,727	\$ 11,070,154	\$ 8,979,467	\$ 9,228,582	129	138	7,724	12.68		
2020	\$ 16,909,254	\$ 10,331,360	\$ 6,065,602	\$ 6,032,809	89	101	(924)	11.05		

2023 | **2022** | **2021** | **2020**

Financial Measures: The Prudential executive compensation programs reflect the pay-for-performance culture and supports shareholder alignment while also incentivizing our executives as noted throughout the CDAA beginning on page 67. For the annual and long-term incentive programs, the committee uses performance measures that align with the company's strategy, operating principles and priorities, and shareholder interest. (i) support the achievement of corporate goals, and (ii) reflect the company's overall performance. The most important performance measures used to understand CAP with respect to company's performance for Allstate NEOs for the most recently completed fiscal year are as follows:

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CAP vs Total Shareholder Return

CAP vs Performance Net Income

2023 | **2022** | **2021** | **2020**

2024 Proxy Statement Executive Compensation

Pay Versus Performance

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2023 | **2022** | **2021** | **2020**

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For additional detail regarding Allstate's executive pay practices including incentive design and goal setting, compensation elements, compensation decisions, and governance practices see the CDAA beginning on page 67.

CAP vs Total Shareholder Return

CAP vs Performance Net Income

2023 | **2022** | **2021** | **2020**



Key Examples

Pfizer 2024 Proxy Statement



Includes supplemental tables

CEO AND AVERAGE NON-CEO NEO CAP PAY-VERSUS-PERFORMANCE

The following illustrates the relationship between the CAP of our CEO and average non-CEO NEOs (Avg. NEO) and company performance as well as peer performance.

- The 4-year compensation history of the CEO and Avg. NEO shows that the disclosed CAP aligns with Pfizer's TSR which outperformed the DRG Index TSR for 2022 and 2021, tracked the DRG Index for 2020 and underperformed for 2023. The values are based on a \$100 investment made on December 31, 2019.
- Considering the significant weighting of long-term stock-based incentives in our pay mix (75%-60% for the CEO and 60%-70% on average for the NEOs, of target total direct compensation) due to the intended alignment between the financial interests of our executives and shareholders, the CAP values are significantly influenced by Pfizer's stock price. This is illustrated by the impact of year-over-year stock price declines since 2021. When comparing year-end stock prices in 2021 (\$59.03) to 2022 (\$51.24) to 2023 (\$28.79), there was a reduction of approximately 13% for 2022 vs. 2021 (\$51.24 vs. \$59.03), and 44% for 2023 vs. 2022 (\$28.79 vs. \$51.24) respectively, which resulted in a significant decline in CAP values for 2022 and 2023. The significant weighting of long-term stock-based incentives in our mix is further demonstrated when the stock price increases, when comparing the 2020 year-end stock price of \$36.81 to the 2021 year-end stock price of \$59.05, which is an approximate 60% increase. This stock price increase resulted in a year-over-year change in value of outstanding long-term incentives which is reflected in the increase in the CAP value in 2021 compared to the CAP value in 2020.

The graphs below show the alignment between pay versus performance.

CEO and Average NEOs CAP versus TSR Performance*

Year	CEO Compensation Actually Paid (\$000)	NEO Compensation Actually Paid (\$000)	Pfizer TSR (%)	Peer Group (DRG Index) TSR (%)
2020	\$39,668	\$11,911	103	109
2021	\$115,176	\$40,941	154	134
2022	\$5,662	\$8,438	91	104
2023	\$62,147	\$5,414	116	112

* TSR value based on \$100 investment of Pfizer versus DRG Index as of December 31, 2019.

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CEO and Average NEOs CAP versus Net Income (GAAP)

Year	CEO Compensation Actually Paid (\$000)	NEO Compensation Actually Paid (\$000)	Net Income (\$B)
2020	\$39,668	\$11,911	\$9.16
2021	\$115,176	\$40,941	\$31.37
2022	\$5,662	\$8,438	\$8.48
2023	\$62,147	\$5,414	\$2.12

CEO and Average NEOs CAP versus Adjusted Net Income (Non-GAAP)

Year	CEO Compensation Actually Paid (\$000)	NEO Compensation Actually Paid (\$000)	Adjusted Net Income (\$B)
2020	\$39,668	\$11,911	\$16.73
2021	\$115,176	\$40,941	\$25.24
2022	\$5,662	\$8,438	\$19.13
2023	\$62,147	\$5,414	\$11.24

Overall, the Committee believes the executive compensation program strikes an appropriate balance between incentivizing our executives based on performance, as well as utilizing market competitive pay practices. This is also evidenced by the performance metrics the Committee selected to link pay with performance as described in the section below. See our "Compensation Discussion and Analysis" for additional information regarding Pfizer's pay-for-performance executive compensation program.

2024 Proxy Statement Pfizer 90

COMPANY PERFORMANCE METRICS

Pfizer's executive compensation program appropriately aligns pay and performance as the Committee seeks to utilize metrics that incentivize and strengthen our alignment to the Compensation Philosophy, as well as our focus on long-term sustainable growth. The metrics (non-GAAP) listed below are the performance metrics the Committee deems as the most important financial performance measures used to link compensation actually paid to our NEOs to the company's performance for the most recently completed fiscal year, as further described in our Compensation Discussion and Analysis within the sections titled "2023 Annual Incentive Award/Global Performance Plan (GPP)" and "2023 Annual Long-Term Incentive Award Program".

Most Important Performance Measures

Metric	2023	2022	2021	2020
Adjusted Net Income	\$2.12	\$8.48	\$31.37	\$9.16
Total Revenue	\$111.24	\$119.75	\$115.17	\$117.75
Adjusted Diluted EPS	\$2.12	\$8.48	\$31.37	\$9.16
Cash Flow from Operations	\$11.24	\$19.13	\$25.24	\$16.73

CEO REALIZED PAY TABLE (SUPPLEMENTAL)

The supplemental table and graphs below compare the realized pay for Dr. Bourla over four years with the disclosed SCT Total and CAP.

Year	SCT Total (\$)	CAP (\$)	Realized Pay ⁽¹⁾ (\$)
2023	21,562,654	62,146,530	25,724,089
2022	33,017,453	5,662,152	26,621,180
2021	24,353,219	115,175,594	16,676,919
2020	21,033,570	29,667,753	9,886,957

(Amounts are subject to rounding.)

(1) Realized Pay is defined as base salary, short-term incentive bonus paid on account of the performance year, and payouts/settlements of long-term incentive awards during the applicable year.

Year	Salary (\$)	Bonus (\$)	LTI Settlements (\$)	Realized Pay (\$)
2023	1,787,500	0	23,936,589	25,724,089
2022	1,731,500	7,650,000	17,233,680	26,621,180
2021	1,687,500	8,000,000	6,989,419	16,676,919
2020	1,650,000	5,491,800	2,845,157	9,886,957

(Amounts are subject to rounding.)

2024 Proxy Statement Pfizer 91

Supplemental Table: Realized Pay Comparison

Year	Realized Pay (\$000s)	CAP (\$000s)	SCT Total (\$000s)
2020	\$9,887	\$29,668	\$21,034
2021	\$16,677	\$115,176	\$24,353
2022	\$26,621	\$5,662	\$33,017
2023	\$25,724	\$62,147	\$21,563

The graph above illustrates our CEO's realized pay compared to the CAP and SCT Total for 2020-2023. For 2023, the year-end stock price declined from 2022, therefore resulting in a negative CAP value attributable to the decline in the value of outstanding equity awards. The CAP value differs significantly from the realized pay and SCT Total.

See our "Compensation Discussion and Analysis" for additional information regarding Pfizer's pay-for-performance executive compensation program.

2024 Proxy Statement Pfizer 92



Audit Matters



Audit Matters

Proposal 2

Ratification of Selection of Independent Registered Public Accounting Firm

- Robust independence controls and objectivity; high audit quality; and reasonable fees
- Deep company-industry knowledge, experience, and expertise
- Audit Committee annually evaluates EY and determined that EY's retention continues to be in the best interests of Intel and its stockholders

The Audit Committee evaluates the independent auditor selection each year and selected EY for the current year. EY has served in this role since Intel was incorporated in 1968. EY representatives attended all of the Audit Committee's meetings in 2023 except those meetings subject to attorney-client privilege.

Why We Are Asking Stockholders to Ratify Our Selection of EY

As a matter of good governance, the Board submits the independent audit firm selection for stockholder ratification. If this selection is not ratified by a majority of the voted shares, the Audit Committee will review its future independent registered public accounting firm selection in light of that vote result. Even if the selection is ratified, the Audit Committee in its discretion may appoint a different firm at any time during the year if the Audit Committee determines that such a change would be appropriate.

EY Independence

In order to ensure continued auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of our independent registered public accounting firm. The Audit Committee concluded that many factors contribute to the continued support of EY's independence, such as oversight by the Public Company Accounting Oversight Board (PCAOB) through the establishment of audit, quality, ethics, and independence standards in addition to conducting audit inspections; the mandating of reports on internal control over financial reporting; PCAOB requirements for audit partner rotation; and limitations imposed by regulation and by the Audit Committee on non-audit services provided by EY. The Audit Committee has established, and monitors, limits on the amount of non-audit services that Intel may obtain from EY. Under the auditor independence rules, EY reviews its independence each year and delivers to the Audit Committee a letter addressing matters prescribed under those rules.

Regular Rotation of Primary Engagement Partner

In accordance with applicable rules on partner rotation, EY's lead partner for our audit was changed in 2020, while EY's engagement quality review partner for our audit was most recently changed in 2024. The Audit Committee, including the Audit Committee Chair, is involved in considering the selection of EY's primary engagement partner when there is a rotation, which is typically every five years. The process for selecting a primary engagement partner is fulsome and allows for thoughtful consideration of multiple candidates, each of whom has met a list of specified professional, industry, and personal criteria, including among others diversity of thought and background, experience with complex global clients, and industry specific experience. The Audit Committee is involved in determining the final selection.

Pre-Approval Policies

The Audit Committee pre-approves and reviews audit and non-audit services performed by EY, as well as the fees charged by EY for such services. In its pre-approval and review of non-audit service fees, the Audit Committee considers, among other factors, the possible effect of the performance of such services on the auditors' independence.

Audit Matters

Factors the Audit Committee Considered in Deciding to Re-Engage EY Include

<p>Close alignment of EY's global footprint and resources with our geographies and global business</p> <ul style="list-style-type: none"> • EY staffing presence, depth, and expertise both across the 150 countries in which reviews are required and in the geographies with the greatest accounting/finance focus 	<p>EY's high audit quality, performance, and results</p> <ul style="list-style-type: none"> • evaluations of the nature and quality of EY communications and engagement • quality reviews - e.g., PCAOB inspections, and peer reviews 	<p>EY's track record</p> <ul style="list-style-type: none"> • accounting and auditing field competence • nature of legal or disciplinary actions affecting EY • commitment to diversity and inclusion
<p>Robust independence controls and objectivity</p> <ul style="list-style-type: none"> • annual independence evaluations, partner rotations, and pre-approval policies and controls • EY's rigorous internal independence monitoring and maintenance process; Intel account personal legacy assessments; and key partner (or the engagement) rotations consistent with PCAOB and SEC independence and rotation requirements • Audit Committee involvement in and oversight of EY independence • EY's professional skepticism and objectivity shown in reports/presentations 	<p>Benefits of longer-tenured auditor</p> <ul style="list-style-type: none"> • enhance audit quality; deeper institutional knowledge and expertise, better geographic overlap and limited other options due to Intel's size, complexity, and geography • continuity and avoidance of switching costs; management time to bring new auditors up to speed generally, but also with respect to the hundreds of countries that require review • no disruption of non-audit workflows; conflicts from consulting contracts on other matters • competitive fees; due to efficiencies and familiarity 	<p>EY's deep institutional company and industry knowledge, experience, and expertise</p> <ul style="list-style-type: none"> • EY's and key engagement team members' extensive professional qualifications, experience, and expertise • EY's depth and breadth of understanding of the technology and semiconductor industries, and Intel's unique business model (global integrated device manufacturer and foundry service provider), and complex accounting policies and practices
<p>Length of EY's service</p> <ul style="list-style-type: none"> • potential positive and negative impact on independence and objectivity • more effective audit plans and better EY audit service quality and productivity due to greater industry, business, segments, and policies and procedures familiarity 	<p>Impact of engaging a new auditor</p> <ul style="list-style-type: none"> • significant costs, time commitments, continuity disruption, and management distraction associated with bringing on and extensively educating a new auditor <p>Appropriateness of EY's fees</p> <ul style="list-style-type: none"> • EY's longer tenure offers us an efficient fee structure and more competitive fees relative to our peers as supported by benchmarking and reviews 	<p>Non-audit service projects performed by other multinational public accounting & auditing firms</p> <ul style="list-style-type: none"> • nature, scope, length, complexity, required knowledge, and other public accounting firm non-audit service costs • impact (e.g., significant disruption, lost cumulative knowledge, time to properly onboard, and higher fees) of any needed changes to such service providers from a change in our independent auditor

Based on the factors listed above, the Audit Committee and Board believe that EY's continued retention as our independent registered public accounting firm is in the company's and our stockholders' best interests.

EY Expected to Attend Annual Meeting

We expect an EY representative to attend the 2024 Annual Stockholders' Meeting, to have an opportunity to make a statement if the representative so chooses, and to be available to respond to appropriate stockholders' questions.

For additional information regarding the Audit Committee and its activities with EY, see "Corporate Governance Matters: Board Structure and Engagement, Board Committees, Audit & Finance Committee" on page 34 and "Report of the Audit & Finance Committee" on page 50.



This section includes:

241 Selection and Engagement of Audit Firm



Selection and Engagement of Audit Firm

Auditor ratification is a non-binding proposal considered at a company's annual shareholders meeting. It is submitted for shareholder vote as a matter of good corporate governance and is considered "routine," meaning brokers can vote on the item without instructions from the beneficial owners of the shares. Historically, it has not been a controversial item and most shareholders have supported the recommended audit firm.

As a baseline, companies must meet SEC requirements, which includes the disclosure of the processes to pre-approve services of the auditor, a two-year itemization of the fees paid to the auditor in four categories (audit, audit-related, tax, and all other fees), and the audit committee report. In recent years, some shareholders have started raising concerns about auditors with excessive tenure, which they argue can affect an auditor's independence. Although the impact is still small, there is a noticeable trend toward more investors voting against a company's auditor for lengthy tenure or other concerns,, which has generated an expansion of many companies' disclosures related to the audit committee's annual assessment and the factors considered in the determination to retain the auditor.

What to Think About

- **Auditor Independence:** Shareholders want assurances that (i) the external auditor is independent of the company, (ii) the audit committee has conducted an annual assessment of the auditor's qualifications and independence, and (iii) the audit committee determined that retention of the auditor is in the best interests of shareholders. They also want an understanding of the processes the committee uses to annually assess independence and the quality of the external audit. The factors considered by the audit committee in making its decision provide helpful context.
- In response to these concerns, several companies use call out boxes to highlight

the most important considerations for the committee, often with a special emphasis on audit quality, efficiency, and independence. Since tenure is an area of concern for some investors, some companies have included lengthy call outs that identify the benefits of a long tenured auditor and the specific controls the company utilizes to safeguard the auditor's independence.

- **Audit Fees:** Shareholders pay close attention to and scrutinize the fees paid to audit firms. When non-audit fees are a significant component of the auditor's engagement, votes against the auditor may result unless a company can demonstrate that non-audit services do not impair independence. For that

reason, clear and transparent disclosure of audit, audit-related, tax, and other fees is essential. In addition, some companies provide a more stylized fee table.

- **Audit Committee Report:** While some companies limit their audit committee report to the prescribed topics, other companies use the report as an opportunity to expand upon the efforts of the audit committee. Modern trend is to include the report at the end of the Audit Matters section, following the discussion of the auditor selection, fees and pre-approval processes. Some companies provide a more stylized version of the report, including pictures of the audit committee members underneath their signatures in the report.

Labrador Transparency Award Criteria

- The audit section includes an overview of the audit firm selection process/assessment.
- The audit section includes disclosure of the length of the audit firm's engagement.
- The audit section includes a discussion of the audit committee's involvement in the selection of the audit engagement partner.



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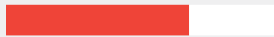
Benchmarking

Audit Matters

The audit section includes:

69.0%

Overview of the audit firm selection process/assessment



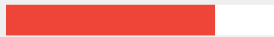
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Discussion of the audit committee's involvement in the selection of the audit engagement partner



78.0%

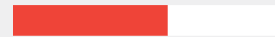
Disclosure of the length of the audit firm's engagement



Location of Audit Committee report:

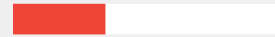
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After the Audit Matters/Audit disclosure



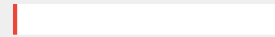
35.0%

Before the Audit Matters/Audit disclosure



2.0%

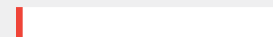
With Audit Committee presentation in Corporate Governance



The Audit Committee Report includes:

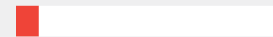
3.0%

Electronic signatures of the members



9.0%

Photos of the members





Key Examples

Leidos 2024 Proxy Statement

Bullet point presentation of auditor considerations

PROPOSAL 3

Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit and Finance Committee of the Board of Directors has appointed Deloitte & Touche LLP (Deloitte) as the independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending January 3, 2025. During the fiscal year ended December 29, 2023, Deloitte served as our independent registered public accounting firm and also provided certain tax and other audit-related services as set forth under the caption "Audit and Non-Audit Fees" below. Representatives of Deloitte will be at the annual meeting to respond to appropriate questions and will have the opportunity to make a statement if they desire to do so.

Stockholders are not required to ratify the appointment of Deloitte as our independent registered public accounting firm. However, we are submitting the appointment for ratification as a matter of good corporate practice. If stockholders fail to ratify the appointment, the Audit and Finance Committee will consider whether or not to retain Deloitte. Even if the appointment is ratified, the Audit and Finance Committee may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our stockholders' best interests.

Vote Required

The affirmative vote of the holders of a majority of the voting power of common stock, present or represented either in person or by proxy and entitled to vote on the matter is required to approve the proposal. Abstentions have the effect of a vote against the proposal. Shares of common stock represented by properly executed, timely received and unrevoked proxies will be voted in accordance with the instructions indicated thereon. In the absence of specific instructions, properly executed, timely received and unrevoked proxies will be voted "FOR" the proposal.

Recommendation of the Board of Directors

The Board of Directors recommends stockholders vote FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending January 3, 2025.

Evaluation of Independent Registered Public Accounting Firm

The Audit and Finance Committee recognizes the importance of maintaining the independence of Leidos' independent auditor, both in fact and appearance. The Committee also engages in an annual evaluation of the independent registered public accounting firm. It considers, along with company management and internal auditors:

- (i) the audit firm's independence and objectivity
- (ii) the capability and experience of the firm's proposed audit team members
- (iii) the audit firm's audit quality indicators
- (iv) the advantages and possible disadvantages of the audit firm's tenure as our independent auditors
- (v) the appropriateness of the audit firm's fees for audit and non-audit services
- (vi) the audit firm's capability and expertise in our industry and in auditing companies with broad and complex operations
- (vii) the audit firm's performance and proposed approach to auditing the company's financial statements and the company's internal controls over financial reporting
- (viii) the size and reputation of the audit firm

After assessing the qualifications, performance, and independence of Deloitte, the Audit and Finance Committee has approved the engagement of Deloitte as our independent registered public accounting firm for the fiscal year ending January 3, 2025. Deloitte has been the company's independent registered public accounting firm since fiscal 2000.

Morgan Stanley 2024 Proxy Statement

Infographic and bullet point description of AC considerations in appointing auditor

Audit Matters

Item 2

Ratification of Appointment of Morgan Stanley's Independent Auditor

Our Board unanimously recommends that you vote "FOR" the ratification of Deloitte & Touche's appointment as our independent auditor.

The Audit Committee has the sole authority and responsibility to appoint, compensate, retain, oversee, evaluate and, when appropriate, replace the independent registered public accounting firm (independent auditor) engaged to audit the Firm's consolidated financial statements. The Audit Committee reviews and assesses annually the qualifications and performance of the independent auditor. The Audit Committee also evaluates whether it is appropriate to rotate the independent auditor and assures the mandatory, regular rotation of the lead audit partner and other senior engagement partners of the independent auditor. In connection with such rotations, the Audit Committee is actively involved in the selection of key engagement partners of the independent auditor, including the lead audit partner, who may provide services to the Firm for a maximum of five consecutive years. In approving the selection of the current lead audit partner from Deloitte & Touche LLP (Deloitte), who is expected to serve in this capacity through the end of the 2025 audit, Deloitte selected candidates to be considered for the lead audit partner role, who were then interviewed by Firm management. After considering the candidates recommended by Deloitte, Firm management recommended a proposed candidate to be interviewed by the Audit Committee. The Audit Committee then discussed the desired qualifications of the lead audit partner, interviewed the proposed candidate for lead audit partner recommended by management, and approved the selection of the current lead audit partner of the Firm.

As part of the Audit Committee's annual review of Deloitte and consideration to re-appoint Deloitte as the Firm's independent auditor, the Audit Committee reviewed and considered, among other factors:

Best interest of Morgan Stanley and its Shareholders	Performance	Professional Qualifications	Audit Quality	Global Capabilities	Tenure
Institutional Knowledge	Potential Impact of Changing Independent Auditor	Independence	Succession Planning	Appropriateness of Fees	External Data on Audit Quality and Performance

In particular, the Audit Committee reviewed and considered:

- Whether retaining Deloitte is in the best interest of the Firm and its shareholders.
- The results of management's assessment that includes the results of a global management survey and interviews regarding overall historic and recent performance of Deloitte.
- The professional qualifications of Deloitte and the lead audit and other senior engagement partners.
- The historic and current audit quality of service of Deloitte and the lead audit and other senior engagement partners, including the candidness of the communications and interactions with the Audit Committee, as well as their independent judgment and professional integrity and objectivity.
- Deloitte's global capabilities and expertise in handling the breadth and complexity of the Firm's global operations and businesses, accounting policies and internal control over financial reporting, including Deloitte's use of technology, specialists and subject matter experts and the sharing of industry insights, trends and emerging practices.

Audit Matters

- Deloitte's tenure as independent auditor, including the benefits of its institutional knowledge of the Firm and its history and familiarity with the Firm's businesses, which enhances Deloitte's audit efficiency and effectiveness and provides cost efficiencies.
- The potential challenges, impact and advisability of selecting a different independent auditor, including the time and expense of transitioning to a new independent auditor.
- Deloitte's independence from the Firm, noting that (i) Deloitte does not provide any non-audit services to the Firm other than those deemed permissible, as described under "Independent Auditor Fees," and (ii) both the Firm and Deloitte have controls and policies in place, including related to the applicable auditor independence rules and the mandatory rotation of the lead audit and other senior engagement partners, which helps ensure the continued independence and fresh perspectives of Deloitte.
- Deloitte's succession planning for rotation of key engagement partners.
- The appropriateness of Deloitte's fees relative to both audit quality and efficiency.
- External data on audit quality and performance, including recent Public Company Accounting Oversight Board (PCAOB) reports on Deloitte and peer firms.

Based on this review, the Audit Committee has appointed Deloitte as independent auditor for the year ending December 31, 2024, and, although not legally required to do so, presents this selection to the shareholders for ratification as a matter of governance best practices. The Audit Committee believes that the continued retention of Deloitte is in the best interest of the Firm and its shareholders. Deloitte was selected as independent auditor upon the merger creating the current Firm in 1997 and has served continuously as independent auditor since that time. Deloitte will audit the Firm's consolidated financial statements included in the Annual Report on Form 10-K for the year ending December 31, 2024, and will perform other permissible, pre-approved services. If shareholders do not ratify the appointment of Deloitte, the Audit Committee will consider this in determining whether to appoint Deloitte as independent auditor for the year ending December 31, 2025. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interest of the Firm and its shareholders.

Deloitte representatives will attend the annual meeting. They will be present to respond to appropriate shareholder questions and will have the opportunity to make a statement if they desire to do so.

Our Board unanimously recommends that you vote "FOR" the ratification of Deloitte's appointment as our independent auditor. Proxies selected by the Board will be voted "FOR" this ratification unless otherwise instructed.



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Key Examples

Exelon 2024 Proxy Statement

Detailed presentation on evaluation and benefits of tenure

Intel 2024 Proxy Statement



Factors Considered in Deciding to Re-engage infographic

Audit Matters

PROPOSAL 2

Ratification of PricewaterhouseCoopers LLP as Exelon's Independent Auditor for 2024

Based on the most recent evaluation and consideration of factors described below, the Audit and Risk Committee (ARC) and the Board of Directors have determined that the retention of PricewaterhouseCoopers LLP (PwC) as the independent auditor remains in the best interests of the Company and its shareholders based on the Committee's level of satisfaction with the quality of services provided by PwC.

The Board recommends a vote "FOR" the ratification of PricewaterhouseCoopers LLP as Exelon's Independent Auditor for 2024.

Evaluation of the Independent Auditor

The Committee regularly considers the independence, qualifications, compensation, and performance of its independent auditor. In 2018, the Committee approved an evaluation framework developed by management to assist with the Committee's annual assessment of the independent audit firm, which includes the solicitation of feedback from management and the members of the ARC. Results of the full assessment were discussed by the Committee as part of its annual review process.

QUALITY OF THE INDEPENDENT AUDIT FIRM AND AUDIT PROCESS

- The number of restatements, material weaknesses and significant deficiencies to determine if any items reasonably should have been identified by the independent audit firm.

Whether the independent audit firm based on their financial stability, compliance with applicable laws and professional standards, pending litigation or judgments against the independent audit firm, and results of applicable independent audit firm inspections.

Whether the independent audit firm and one or more team members demonstrate a commitment to diversity, equity, and inclusion (DEI) aligned with Exelon's core values.

Results of annual assessment distributed to the Committee and management with frequent interactions with the independent audit firm.

Annual DEI assessment of third-party finance vendors by management led to PwC's appointment to the DEI honor roll for the fourth consecutive year.

Rotational fee negotiation process.

Reasonableness of fees incurred against the annually approved fees and reported current fee estimates provided to the Committee quarterly.

In addition, the Committee assessed PwC's independence based on review of PwC's required communications and forthright, candid and prompt communications on related independence matters, when needed. Based on the results of its assessment, the Committee found PwC to be independent from the Company and its management and approved PwC as its independent auditor for 2024.

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Audit Matters

Tenure

PwC has served as the Company's independent auditor since 2000. In considering the tenure of PwC as our independent auditor, the Committee carefully considers the benefits of a long tenure in light of the robust controls in place to safeguard independence.

Benefits of Tenure

- Enhanced Audit Quality: PwC's deep familiarity with the utilities industry and Exelon's business and operations, accounting policies and practices, and internal controls over financial reporting is valuable to the Company and its shareholders.
- Continuity Mitigates Disruption Risk: Onboarding a new independent auditor would require extensive education and significant time and resources for the new auditor to obtain a comparable level of familiarity with our business and control practices.

Key Independence Controls

- Committee Oversight: The Committee and its Chair hold regular executive sessions with the independent auditor during which the Committee discusses the scope of PwC's audit, any problems or difficulties encountered or discovered.
- Lead Partner Rotation: PwC's institutional knowledge and experience is balanced by the fresh perspective delivered by changes in the audit team resulting from mandatory audit partner rotation and routine turnover within the team that provides for new perspectives.

Selection of Lead Engagement Partner

The ARC oversees the process for, and ultimately approves, the appointment of our independent auditor's lead engagement partner at the first-year mandatory rotation period. In evaluating and selecting a lead audit partner, the ARC provides selection criteria to which PwC responds with a roster of qualified candidates who will be interviewed by members of the ARC and senior management including the Chief Financial Officer and Chief Accounting Officer.

Request for Shareholder Ratification

As a matter of good corporate governance, the Board submits the selection of its independent audit firm to shareholders for ratification each year. If the selection of PwC is not ratified by shareholders, the ARC will reconsider its selection, but no assurance can be given that the Committee will change the appointment.

Representatives of PwC will participate in the annual meeting to answer questions and will have the opportunity to make a statement.

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Audit Matters

Proposal 2 Ratification of Independent Registered Public Accounting Firm

- Robust independence controls and objectivity; high audit quality; and reasonable fees
- Deep company-industry knowledge, experience, and expertise
- Audit Committee annually evaluates EY and determined that EY's retention continues to be in the best interests of Intel and its stockholders

The Audit Committee evaluates the independent auditor selection each year and selected EY for the current year. EY has served in this role since Intel was incorporated in 1985. EY representatives attended all of the Audit Committee's meetings in 2023 except those meetings subject to attorney-client privilege.

Why We Are Asking Stockholders to Ratify Our Selection of EY

As a matter of good governance, the Board submits the independent audit firm selection for stockholder ratification. If the selection is not ratified by a majority of the voted shares, the Audit Committee will review its future independent registered public accounting firm selection in light of that vote result.

Regular Rotation of Primary Engagement Partner

In accordance with applicable rules on partner rotation, EY's lead partner for our audit was changed in 2023, while EY's engagement quality review partner for our audit was most recently changed in 2024.

Pre-Approval Policies

The Audit Committee pre-approves and reviews audit and non-audit services performed by EY, as well as the fees charged by EY for such services. In its pre-approval and review of non-audit services fees, the Audit Committee considers, among other factors, the possible effect of the performance of such services on the auditors' independence.

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Audit Matters

Factors the Audit Committee Considered in Deciding to Re-Engage EY Include

Close alignment of EY's global footprint and resources with our geographies and global business <ul style="list-style-type: none">EY staffing presence, depth, and expertise both across the 100 countries in which reviews are required and in the geographies with the greatest accounting/finance focus	EY's high audit quality, performance, and results <ul style="list-style-type: none">evaluations of the nature and quality of EY communications and engagementquality reviews - e.g., PCAOB inspections, and peer reviews	EY's track record <ul style="list-style-type: none">accounting and auditing field competencenature of legal or disciplinary actions affecting EYcommitment to diversity and inclusion
Robust independence controls and objectivity <ul style="list-style-type: none">annual independence evaluations, partner rotations, and pre-approval policies and controlsEY's rigorous internal independence monitoring and maintenance process; Intel account personal adequacy assessments, and key partner (or the engagement) rotations consistent with PCAOB and SEC independence and rotation requirementsAudit Committee involvement in and oversight of EY independenceEY's professional skepticism and objectivity shown in reports/presentations	Benefits of longer-tenured auditor <ul style="list-style-type: none">enhanced audit quality: deeper institutional knowledge and expertise, better geographic overlap and limited other options due to Intel's size, complexity, and geographycontinuity and avoidance of existing costs: management time to bring new auditors up to speed generally but also with respect to the hundreds of countries that require reviewno disruption of non-audit workflows: conflicts from consulting contracts on other matterscompetitive fees due to efficiencies and familiarity	EY's deep institutional company and industry knowledge, experience, and expertise <ul style="list-style-type: none">EY's deep and key engagement team members: extensive professional qualifications, experience, and expertiseEY's depth and breadth of understanding of the technology and semiconductor industries, and Intel's unique business model (global integrated device manufacturer and foundry service provider), and complex accounting policies and practices
Length of EY's service <ul style="list-style-type: none">potential positive and negative impact on independence and objectivitymore effective audit plans and better EY audit service quality and productivity due to greater industry, business, operations, and policies and procedures familiarity	Impact of engaging a new auditor <ul style="list-style-type: none">significant costs: time commitments, continuity disruption and management distraction associated with bringing on and extensively educating a new auditorAppropriateness of EY's feesEY's longer tenure offers an efficient fee structure and more competitive fees relative to our peers as supported by benchmarking and reviews	Non-audit service projects performed by other multinational public accounting & auditing firms <ul style="list-style-type: none">nature, scope, length, complexity, required knowledge, and other public accounting firm non-audit service costsimpact (e.g., significant disruption, lost cumulative knowledge, time to properly onboard, and higher fees) of any needed changes to such service providers from a change in our independent auditor

Based on the factors listed above, the Audit Committee and Board believe that EY's continued retention as our independent registered public accounting firm is in the company's and its stockholders' best interests.

EY Expected to Attend Annual Meeting

We expect an EY representative to attend the 2024 Annual Stockholders' Meeting, to have an opportunity to make a statement if the representative so chooses, and to be available to respond to appropriate stockholders' questions.

For additional information regarding the Audit Committee and its activities with EY, see "Corporate Governance Matters: Board Structure and Engagement; Board Committees; Audit Firm Matters" on page 34 and "Report of the Audit & Finance Committee" on page 68.

2024 PROXY STATEMENT 49



Appendix

Companies Included in the Benchmark

As part of the Transparency Awards, Labrador annually reviews proxy statements published by the top 250 companies in the S&P 500. The benchmarking data in this guide is based on findings for a subset of 100 companies representing a cross-section of industries.

The 100 companies are as follows:

1. Abbott Laboratories
2. AbbVie Inc.
3. Accenture Plc
4. Adobe Incorporated
5. Advanced Micro Devices Inc.
6. Airbnb, Inc.
7. Alphabet Inc.
8. Altria Group Inc.
9. Amazon.com Inc.
10. American Express Company
11. American Tower Corporation
12. Amgen Inc.
13. Apple Inc.
14. Archer-Daniels-Midland Company
15. AT&T Inc.
16. Automatic Data Processing Inc.
17. Bank of America Corp
18. Berkshire Hathaway Inc.
19. BlackRock Inc.
20. Boeing Company
21. Booking Holdings Inc.
22. Broadcom Inc.
23. Caterpillar Inc.
24. Charles Schwab Corp
25. Chevron Corporation
26. Chipotle Mexican Grill Inc.
27. Cisco Systems Inc.
28. Citigroup Inc.
29. Colgate-Palmolive Company
30. Comcast Corporation
31. Constellation Brands Inc.
32. Costco Wholesale Corporation
33. CSX Corporation
34. Danaher Corporation
35. Deere & Company
36. Eaton Corp. Plc
37. Elevance Health Inc.
38. Eli Lilly and Company
39. Exxon Mobil Corporation
40. General Electric Company
41. Goldman Sachs Group Inc.
42. Honeywell International Inc.
43. Illinois Tool Works Inc.
44. Intel Corporation
45. Intuit Inc.
46. Intuitive Surgical Inc.
47. Johnson & Johnson
48. JPMorgan Chase & Co.
49. Kimberly-Clark Corporation
50. Linde plc
51. Lockheed Martin Corporation
52. Lowe's Companies Inc.
53. Lululemon Athletica Inc.
54. Marriott International Inc.
55. Marsh & McLennan Companies Inc.
56. Mastercard Incorporated
57. McDonald's Corporation
58. Medtronic Plc
59. Merck & Co. Inc.
60. Meta Platforms Inc.
61. Microsoft Corporation
62. Mondelez International Inc.
63. Monster Beverage Corporation
64. Morgan Stanley
65. Netflix Inc.
66. NextEra Energy Inc.
67. NIKE Inc.
68. Northrop Grumman Corp.
69. NVIDIA Corporation
70. O'Reilly Automotive Inc.
71. Oracle Corporation
72. PepsiCo Inc.
73. Pfizer Inc.
74. Philip Morris International Inc.



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|---|----------------------------|
| 75. Procter & Gamble Company | 97. Visa Inc. |
| 76. Prologis Inc. | 98. Walmart Inc. |
| 77. QUALCOMM Incorporated | 99. Walt Disney Company |
| 78. Raytheon Technologies Corporation | 100. Wells Fargo & Company |
| 79. S&P Global Inc. | |
| 80. Salesforce Inc. | |
| 81. Sherwin-Williams | |
| 82. Southern Company | |
| 83. Starbucks Corporation | |
| 84. Target Corporation | |
| 85. Tesla Inc. | |
| 86. Texas Instruments Incorporated | |
| 87. The Coca Cola Company | |
| 88. The Home Depot | |
| 89. Thermo Fisher Scientific Inc. | |
| 90. TJX Companies Inc | |
| 91. TMobile US Inc. | |
| 92. Union Pacific Corporation | |
| 93. United Parcel Service Inc. | |
| 94. UnitedHealth Group Incorporated | |
| 95. Verizon Communications Inc. | |
| 96. Vertex Pharmaceuticals Incorporated | |