

KING & SPALDING

Trends in Investor Communications

Key Proxy Statement Disclosure Trends: Executive Compensation



King & Spalding Introduction

At many companies, the CD&A was the first section of the proxy statement to be treated as a communications opportunity instead of a simple compliance exercise. Today, the best CD&As simplify complex pay structures into digestible distillations of the Company's strategic priorities and executive performance. Less effective disclosures may muddy the Company's message and alienate key stakeholders, leading to low Say on Pay support and other shareholder vulnerabilities.

The coming proxy season will likely bring even more attention to pay disclosures. There is widespread interest in how companies describe pay decisions during the pandemic. Companies who increased executive pay, reduced their workforce, or both should expect special scrutiny.

No pressure.

Reviewing what other companies have done can often provide the creative spark to take your own disclosure to the next level. Given the stakes, we hope the following commentary and variety of examples on the following pages help you tell the most compelling story about your compensation programs.

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CD&A Executive Summary

King & Spalding Commentary

The two or three pages of the CD&A executive summary are likely the most well-read part of the proxy. Do not waste your opportunity to clearly explain what the Company has accomplished and how compensation decisions support key corporate objectives.

Southern Company

CD&A AT-A-GLANCE (PAGE 43)

https://s2.q4cdn.com/471677839/files/doc_financials/2019/annual/2020-Southern-Company-Proxy.pdf

Compensation Discussion and Analysis

CD&A At-a-Glance

KEY 2019 COMPANY HIGHLIGHTS

51.6% Total Shareholder Return	More than \$20 billion increase in market capitalization	Adjusted EPS exceeded guidance range	72 consecutive years of dividends paid
Over \$2.5 billion in dividends to stockholders	Reached major milestones on Plant Vogtle construction project	3 constructive rate case outcomes	18 consecutive years of dividend increases

Our Compensation Beliefs

- In 2019, we continued to focus on ensuring that our compensation program is designed and implemented to drive long-term value creation for our stockholders and reflects feedback from our ongoing stockholder engagement program.
- Our compensation program is designed to support our human capital strategy of investing in our employees to attract, engage, competitively compensate and retain key talent and reinforce our pay for performance philosophy.
- We target the total direct compensation for our executives at market median and place a very significant portion of that target compensation at risk. For our CEO, 89% of pay is at risk. This approach helps ensure management accountability to deliver on our annual and long-term commitments to stockholders.

Key Company Performance Metrics

We delivered exceptionally strong financial, operational and stock price performance in 2019.

Exceeded our 2019 adjusted EPS goal	Target \$3.04	Result \$3.11	Payout 154%
Exceeded our 2019 operational goals, including safety, customer satisfaction and reliability	Target Various	Result Well above target	Payout 175%
Exceeded our peers on the three-year TSR goal*	Target Median	Result Above median	Payout 108%

* Peers are described on page 62.

Compensation Decisions for the CEO

- The CEO's incentive compensation for 2019 reflects meaningful outperformance against the metrics and targets set by the Committee at the beginning of the applicable performance period.
- Consistent with prior years, the Committee evaluated each earnings adjustment, both positive and negative, and decided to pay on adjusted EPS for both the short-term and long-term incentive programs. For 2019, paying on adjusted EPS excluded, among other items, the \$1.3 billion gain from the sale of Gulf Power.

2019 Performance Pay Program	172% Achievement
2017-2019 Performance Share Program	134% Achievement

Responsiveness to Ongoing Stockholder Engagement and Feedback [page 47](#)

- Added a GHG emission reduction goal to the CEO's 2019-2021 long-term incentive award and continued the goal for the 2020-2022 performance period.
- Enhanced our disclosure on the goal rigor and goal setting process undertaken by the Committee.
- Enhanced our disclosure on how our annual incentive award aligns with our ESG efforts and human capital beliefs.

Goal Rigor and Goal Setting Process [page 49](#)

- The goal setting process used by the Committee aims to align goals with the Company's financial plan and EPS guidance and include the appropriate level of stretch in the goals to encourage management to deliver on commitments to stockholders.

Annual Change in Pension Value [page 59](#)

- Increase in annual pension value is not due to any modification of the existing pension plan or formula and is primarily driven by macroeconomic factors such as low interest rates.

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Executive Compensation

PROPOSAL 2 Say-on-Pay: Advisory Vote on the Compensation of the Named Executives

The Board recommends a vote **FOR** this proposal. ✓

- Independent oversight by compensation and succession committee with the assistance of an independent consultant.
- Executive compensation targeted at 50th percentile of peers and aligned with short- and long-term business goals and strategy.
- Compensation programs are working effectively. Annual incentive compensation funding for our named executives in 2019 was 117.5% of target, reflecting above target performance on Performance Net Income and below target performance on Total Premiums and Net Investment Income.

We conduct a say-on-pay vote every year at the annual meeting. While the vote is non-binding, the Board and the compensation and succession committee (the "committee" as referenced throughout the Compensation Discussion and Analysis and Executive Compensation sections) consider the results as part of their annual evaluation of our executive compensation program.

You may vote to approve or not approve the following advisory resolution on the executive compensation of the named executives:

RESOLVED, on an advisory basis, the stockholders of The Allstate Corporation approve the compensation of the named executives, as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis and accompanying tables and narrative on **pages 42-77** of the Notice of 2020 Annual Meeting and Proxy Statement.

Compensation Discussion and Analysis

Executive Overview

Our Compensation Discussion and Analysis describes Allstate's executive compensation program, including total 2019 compensation for our named executives listed below⁽¹⁾:

THOMAS J. WILSON Chair, President, and Chief Executive Officer (CEO)	MARIO RIZZO Executive Vice President and Chief Financial Officer (CFO)	DON CIVGIN President, Service Businesses	GLENN T. SHAPIRO President, Allstate Personal Lines	STEVEN E. SHERK Vice Chair
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⁽¹⁾ The titles and responsibilities changed for certain of these officers in 2020. See Appendix C for a full list of Allstate's executive officers and current titles.

Executive Compensation

Compensation Highlights

The committee actively solicits the views of our significant stockholders on executive compensation matters. In determining the structure and amount of executive pay, the committee carefully considered this feedback. **At our last stockholder meeting, 89% of votes cast supported our executive compensation program.** Investor generally believed that Allstate aligned many best practices and focused on pay for performance, but some questioned certain elements of the performance measures and targets established by the committee.

The committee considered the vote results, investor input and current market practices and made changes to respond to that feedback, as described below.

What We Heard

As a general rule, incentive targets for the annual incentive plan should not be set below prior year actual results. If in the committee's discretion that is deemed warranted, the committee should ensure full and transparent disclosure of the process used and rationale for setting targets below prior year results.

Investors generally like to see little to no discretion applied in the annual incentive program, particularly annual incentive awards paid to the CEO.

Performance awards should be aligned with stockholder value, and the committee should consider whether total shareholder return would be an appropriate performance measure for the incentive program.

What We Do

- The committee assesses highly variable components of the performance measures, such as catastrophe losses, to establish targets using probability and scenario analysis.
- Total Premiums target was set above the prior year as it has been for over ten years.
- Performance Net Income target for 2019 was above 2018 reflecting top-line growth and consistent margins. Catastrophe losses were assumed to be higher than the prior year, reflecting long-term weather patterns.
- Net Investment Income target was set above 2018 based on higher market-based income.
- A detailed summary of the goal setting process and the 2019 ranges for each performance measure are included on page 53.

- The annual incentive compensation pool is calculated based on three numerical measures and no positive discretion has been applied to the pool in the last five years. Individual discretion is utilized to reward high performers, but this is funded by reducing amounts paid to other executives.
- The annual cash incentive awards for the CEO and three other NEOs were equal to the calculated funding level, with no discretion applied.
- A detailed description of how the annual incentive corporate pool is funded and distributed to individual participants is included on pages 54-55.

- For the 2020-2022 performance stock awards, the committee explored the Forward Book Value measure with a Relative TSR measure.
- For additional detail on the 2020 performance stock award design, see page 56.

Business Highlights

In 2019, Allstate delivered strong results and implemented multiple initiatives to drive long-term profitable growth. Our management team continued to advance all five Operating Priorities.

Compensation Discussion and Analysis

\$2.5 billion

Cost saved to stockholders in cash through stock repurchases and common stock dividends.

Operating Priorities	Results
Deliver service customers	<ul style="list-style-type: none"> Enterprise net promoter score increased with improvement at most businesses.
Grow customer base	<ul style="list-style-type: none"> Total policies in force reached 140.9 million, a 27.7% increase from prior year. Property Liability policies increased 1.3% from prior year to 59.7 million.
Achieve target returns on capital	<ul style="list-style-type: none"> Adjusted net income return on common shareholders' equity⁽¹⁾ of 16.9% in 2019.
Proactively manage investments	<ul style="list-style-type: none"> Net investment income of \$3.2 billion in 2019 reflects higher market-based yields. Performance-based results were below expectations, but long-term results have been strong. Total return of 9.2% on \$88.4 billion investment portfolio in 2019.
Build long-term growth platforms	<ul style="list-style-type: none"> Accelerating Transformative Growth Plan. Amly continued to expand telematics usage and capabilities. Expanding Allstate Identity Protection. Acad a car sharing business, enhanced operations.

⁽¹⁾ This measure is defined and calculated to meet newly comparable GAAP results in response A.

Allstate's one, three, and five year total shareholder return was 36.8%, 65.4%, and 75.6%, respectively. The following chart shows Allstate's total shareholder return over one, three, and five years relative to the market cap weighted average of the peer group used for 2019 compensation benchmarking (identified on **page 66**).



Alignment of Pay with Performance

ANNUAL CASH INCENTIVE

	Threshold	Target	Maximum
TOTAL PREMIUMS (in millions)	\$100,000	\$100,000	\$100,000
PERFORMANCE NET INCOME (in millions)	\$0,000	\$0,000	\$0,000
NET INVESTMENT INCOME (in millions)	\$0,000	\$0,000	\$0,000

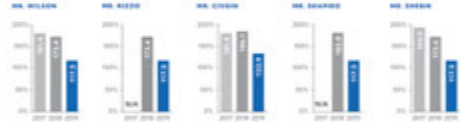
117.5%

Pay funding as determined by these results

⁽¹⁾ For a description of how these measures are determined, see **pages 75-77**.

⁽²⁾ Reflects 2018 actual results of Total Premiums of \$100,000, Performance Net Income of \$0,000, and Net Investment Income of \$0,000.

ANNUAL INCENTIVE PLAN % OF TARGET



2017-2019 PERFORMANCE STOCK AWARDS

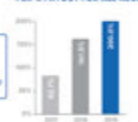
	Threshold	Target	Maximum
AVERAGE PERFORMANCE NET INCOME RETURN ON EQUITY ⁽¹⁾	5.0%	10.0%	15.0%
FORWARD BOOK VALUE	5.0%	10.0%	15.0%

200%

Factor percentage for all NEOs for 2019

⁽¹⁾ For a description of how these measures are determined, see **pages 75-77**.

PSA % PAYOUT FOR ALL NEOs



1. Introduction

Shareholder Engagement on Executive Compensation

Our Board recognizes the importance of executive compensation decisions to our shareholders. The annual say-on-pay advisory vote provides our shareholders with the opportunity to:

- Evaluate our executive compensation philosophy, policies and practices;
- Evaluate the alignment of the compensation of BlackRock's NEOs with BlackRock's results; and
- Cast an advisory vote to approve the compensation of BlackRock's NEOs.

At the 2019 Annual Meeting of Shareholders, the say-on-pay advisory vote received majority support, with approximately 96% of the votes cast in favor of our executive compensation policies, practices and determinations. Our Board encourages an open and constructive dialogue with shareholders on compensation to ensure alignment on policies and practices.

As in prior years, we invite all shareholders to provide feedback to us on our compensation programs. In advance of this year's Annual Meeting, we extended engagement requests to shareholders representing 43% of outstanding shares (excluding shares owned by PNC) to incorporate their views as we continue to enhance our compensation programs. Shareholders who provided feedback generally reported that executive compensation at BlackRock was reasonable and well-aligned to performance. No consistent or prevalent concerns were raised from our engagements.

BlackRock Shareholder Value Framework

BlackRock is committed to delivering long-term shareholder value. While our financial results can be affected by global capital market conditions that are beyond our control, management has the ability to influence key drivers of shareholder value.

As described below, BlackRock's framework for long-term value creation is based on our ability to:

- Generate differentiated organic growth;
- Leverage our scale for the benefit of clients and shareholders; and
- Return capital to shareholders on a consistent and predictable basis.



BlackRock's commitment to delivering shareholder value is aligned with the way we manage our business. By putting clients' interests first and delivering investment, portfolio construction and technology solutions to help meet their objectives, we are able to grow our business by adding new assets under management ("AUM") and increasing technology services revenue, resulting in **Organic Revenue growth**.⁽¹⁾

(1) Organic Revenue growth is a measure of the expected annual revenue impact of BlackRock's total net new business (excluding the effect of market appreciation/depreciation) and foreign exchange. Organic Revenue is not directly comparable to other companies' organic revenue.

BlackRock's scale is one of the firm's key strategic advantages and is an important driver of **operating leverage that benefits clients and shareholders**. We take advantage of scale in numerous areas of our business including our index-based investment strategies, brand spend, technology platform, including our Aladdin business, and our external vendor relationships.

In addition to leverage a key element of our of styles, products, and generate **stable cash** BlackRock to consis capital to our share Outlook" on page 35

During 2019, we net through a combin

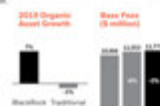
BlackRock 2019 Performance

BlackRock's 2019 results reflect the strength of our global, diverse investment and technology platform and the benefits of the investments we have made to optimize our strategic positioning. We generated a record \$429 billion of total net inflows for the full year, representing 7% organic asset growth, delivered revenue and earnings growth and returned \$3.8 billion to shareholders while continuing to invest for growth. However, BlackRock's strategic decision to continue investing responsibly despite a more challenging revenue capture environment created by market volatility in the fourth quarter of 2019 resulted in an adjusted operating margin decline of 80 basis points year-over-year. Long-term investment performance results across our alpha-seeking and index strategies as of December 31, 2019 remain strong and are detailed in Part 3, Item 1. - Business of our 2019 Form 10-K.

Differentiated Organic Growth

BlackRock generated record organic asset growth of 7% in 2019.

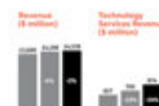
- Total net inflows of \$429 billion, positive across all client channels, asset classes and regions, represented organic asset growth of 7%, compared to Traditional L.C. Fees who generated, on average, -1% organic asset growth; and
- Base fees grew 2% in 2019 to \$11.8 billion, despite the impact of significant global equity market declines in the fourth quarter of 2019, which reduced BlackRock's 2019 entry rate of \$0.56.



Continued Revenue Growth

BlackRock grew revenue 2% in 2019, including record technology services revenue growth of 24%.

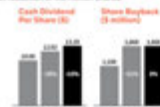
- Total revenue increased 2% from 2018, to \$14.9 billion, despite the impact of significant global equity market declines in the fourth quarter of 2019; and
- Technology services revenue grew 24% year-over-year, to a record \$976 million, reflecting the impact of the effort acquisition and continued growth in Aladdin.



Consistent Capital Returns

BlackRock returned \$3.8 billion to shareholders in 2019.

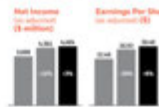
- Annual dividend of \$1.32 per share reflected an increase of 10% from \$1.20 in 2018; and
- \$1.7 billion of shares were repurchased during 2019, resulting in a net reduction of 4.2 million shares.



Earnings Per Share Growth

BlackRock grew diluted earnings per share, as adjusted, by 6%, to \$28.46, in 2019.

- Execution of our shareholder value framework and higher non-operating results drove a 6% increase in earnings per share.



(1) Amounts in this section, when noted, are shown on an "as adjusted" basis. For a reconciliation with GAAP, please see Item 1.

(2) Results for 2017 were revised to reflect the adoption of the new revenue recognition standard. For further information, refer to Note 2. Significant Accounting Policies in the consolidated financial statements in our 2017 Form 10-K.

(3) Traditional L.C. Fees refers to Advisory Services, Affiliated Managers Group, Portfolio Resources, Future Service, Indexes, Legacy Assets and T. Rowe Price.

Our Compensation Framework

Our annual total compensation program for NEOs includes base salary, annual incentive awards (cash and deferred equity) and long-term performance-based incentive awards.

Pay and Performance Alignment for NEOs – Total Incentive Award Determination

Under the NEO total incentive award determination framework, the Compensation Committee assesses each NEO's performance individually based on the three categories outlined below. Each category is assigned a weighting factor, with 50% of the award opportunity dependent on BlackRock's financial performance, 30% dependent on BlackRock's business strengths and 20% dependent on BlackRock's organizational strengths.

At the beginning of the year, the Compensation Committee and management engages in a rigorous review and approval of objectives for the CEO, President and other NEOs. The objectives reinforce BlackRock's shareholder value framework and commitment to serving client needs holistically and through market cycles. Throughout the year, the Compensation Committee receives updates on the Company's performance against these goals and objectives. At the end of the year, the Compensation Committee assesses each NEO's performance against these objectives, while considering internal performance measures and peer group comparisons.

The Compensation Committee's performance assessment directly impacts each NEO's total incentive outcome, which includes all variable pay (annual discretionary cash award, annual discretionary deferred equity award and long-term equity awards). Based on the Compensation Committee's performance assessment, total incentive awards can range from 0% to 125% of the prior year's total incentive pay.

Once the total incentive award is determined, the Compensation Committee determines the appropriate mix between cash, deferred equity and long-term equity. For all NEOs, at least half of their total incentive award is delivered through equity. Additionally, for Messrs. Fink and Kaprielian, at least half of their equity awards are delivered through the BPP Awards, which are contingent on future financial performance rather than time-based vesting.

Each NEO, through their various roles and responsibilities, contributes to the firm-wide objectives summarized below. For the NEO performance assessments, please refer to the section "2019 NEO Compensation and Performance Summaries" on page 65.

Total Incentive Award Performance Metrics

Qualitative Assessment of Award Opportunity	Relative Weighted Global BlackRock score and/or performance of individual
Financial Performance	<ul style="list-style-type: none"> Net New Business Net New Base Fees Organic Revenue Growth Operating Income, as adjusted⁽¹⁾
Business Strengths	<ul style="list-style-type: none"> Solve for clients' evolving needs (e.g., client engagement, investment performance) Sharpen execution and accountability (e.g., operational effectiveness) Lead in a changing world (e.g., annual net inflows)
Organizational Strengths	<ul style="list-style-type: none"> Attract and inspire talent (e.g., employee engagement) Building a more diverse and inclusive culture (e.g., female representation in senior roles)

Assessment/Total Incentive Percentage Outcome⁽²⁾

For Exceeds: 100%–125%

Meets/Exceeds: 50%–100%

Partially Meets: 0%–50%

Does Not Achieve: 0%–0%

(1) For reconciliation with GAAP, please see slide 6.

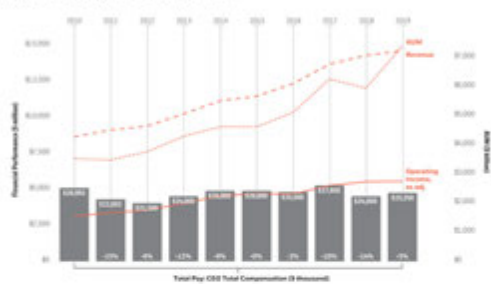
(2) Total incentive includes the NEO's annual discretionary cash award, annual discretionary deferred equity award and long-term equity award.

(3) 2019 Total Incentive Award is calculated using 2018 total incentive awards multiplied by performance incentive percentage.

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Pay-for-Performance – Chairman and CEO

The graph below reflects BlackRock's financial growth as well as CEO total compensation decisions during the period from 2010 to 2019. We strive to keep pay decisions aligned with performance.



Pay-for-Performance – Other NEOs

We strive to keep pay decisions aligned with performance. Our rigorous assessment and pay determination process has resulted in disciplined pay levels that have been outpaced by financial and market value growth over time, as demonstrated by CEO pay in the chart above. The average year-over-year total compensation growth for the CEO and the President was 0% and +2%, respectively, since 2010. The average year-over-year total compensation growth for the other NEOs (excluding the CEO and the President) was +2% since 2010. The year-to-year decisions have been made to align compensation with annual performance and our talent strategy.

BLACKROCK, INC. 2020 PROXY STATEMENT 61

NEO Total Annual Compensation Summary

Following a review of full-year business and individual NEO performance, the Compensation Committee determined 2019 total annual compensation outcomes for each NEO, as outlined in the table below.

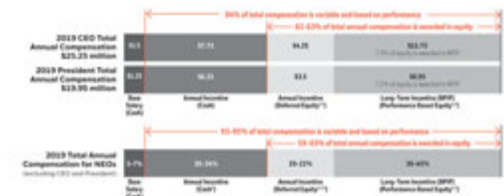
Name	2019 Total Incentive Award					Total Incentive Award (USD)	% Change vs. 2018	Performance Assessment
	Base Salary	Cash	Annual Equity	Long-Term Incentive Award (USD)	Long-Term Incentive Award (USD)			
Laurence D. Fink	\$1,500,000	\$1,750,000	\$4,250,000	\$1,750,000	\$8,750,000	\$25,250,000	5%	Meets/Exceeds
Robert S. Kaprielian	\$1,250,000	\$6,250,000	\$3,500,000	\$ 8,950,000	\$18,950,000	\$19,950,000	5%	Meets/Exceeds
Robert L. Goldstein	\$ 500,000	\$2,950,000	\$2,000,000	\$ 4,400,000	\$ 9,850,000	\$ 9,850,000	25%	For Exceeds
J. Richard Kuebel	\$ 500,000	\$2,612,500	\$1,862,500	\$ 2,900,000	\$ 7,875,000	\$ 7,875,000	15%	For Exceeds
Gary S. Shuller	\$ 800,000	\$2,475,000	\$1,525,000	\$ 2,700,000	\$ 7,500,000	\$ 7,500,000	12%	For Exceeds

The amounts listed above as "2019 Total Incentive Award" and "2019 Total Incentive Award: Long-Term Incentive Award (BPP)" were granted in January 2020 in the form of equity and are separate from the cash award amounts listed above as "2019 Total Incentive Award: Cash." In accordance with SEC requirements, the 2019 Summary Compensation Table on page 60 reports equity in the year granted, but cash in the year earned.

This table excludes awards under a newly adopted capital interest program. For more information about the program, see "Leadership Retention Carry Plan" on page 65.

Pay-for-Performance Compensation Structure for NEOs

Our total annual compensation structure embodies our commitment to align pay with performance. More than 90% of our regular annual executive compensation is performance-based and "at risk." Compensation mix percentages shown below are based on 2019 year-end compensation decisions for individual NEOs by the Compensation Committee.



(1) All grants of BlackRock equity, including the portion of the annual incentive awards granted in 2019 and the portion granted under the BPP Awards, are approved by the Compensation Committee under the Stock Plan, which has been previously approved by shareholders. The Stock Plan allows for multiple types of awards to be granted.

(2) The value of the 2019 Long-Term Incentive Award (BPP) and the value of the equity portion of the bonus for 2019 annual incentive awards was converted into USD by dividing the award value by \$0.0125, which represented the average of the high and low prices for shares of common stock of BlackRock on January 15, 2020.

(3) For NEOs other than the CEO and President, higher annual incentive awards are subject to higher dollar percentages, in accordance with the Company-wide deferral policy as detailed on page 62.

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Executive Compensation

MANAGEMENT PROPOSAL NO. 3 Advisory Vote to Approve Executive Compensation

Our Board recommends a vote **FOR** the approval of the compensation of our NEOs, including the Compensation Discussion and Analysis, the compensation tables and narrative discussion following such compensation tables, and the other related disclosures in this proxy statement.

In accordance with SEC rules, our stockholders are being asked to approve, on an advisory or non-binding basis, the compensation of our NEOs as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K — a detailed description of our compensation program is available in the “Compensation Discussion and Analysis.”

Our Board and the HRC Committee believe that we have created a compensation program that is tied to performance, aligns with stockholder interests and merits stockholder support. Accordingly, we are asking for stockholder approval of the compensation of our NEOs as disclosed in this proxy statement in the Compensation Discussion and Analysis, the compensation tables and the narrative discussion following the compensation tables.

Although this vote is non-binding, the Board and the HRC Committee value the views of our stockholders and will review the voting results. If there are significant negative votes, we will take steps to understand those concerns that influenced the vote and consider them in making future decisions about executive compensation. We currently conduct annual advisory votes on executive compensation and expect to conduct the next advisory vote at our next annual meeting of stockholders in 2021.

Vote Required

The affirmative vote of a majority of the shares of HP common stock present in person or represented by proxy and entitled to be voted on the proposal at the annual meeting is required for advisory approval of this proposal.

Executive Compensation

Components of Compensation

Our executive compensation program primarily comprises performance-based components. The table below shows each pay component, the role and factors for determining the amount. Percentages are the averages of pay components at target for the NEOs, including the CEO.

Pay Component	Role	Determination Factors
Base Salary 11%	Provides a fixed portion of annual cash income	Value of role in competitive marketplace Value of role to the Company Skills, experience and performance of individual compared to the market as well as others in the Company
Annual Incentive 14%	Provides a variable and performance-based portion of annual cash income Focuses executives on annual objectives that support the long-term strategy and creation of value	Target awards based on competitive marketplaces, level of position, skills and performance of executive Actual awards based on achievement against annual corporate, business unit and individual goals as set and approved by the HRC Committee
Long-term Incentives 75%	Supports need for long-term sustained performance Aligns interests of executives and stockholders, reflecting the time horizon and risk to investors Focuses executives on critical long-term performance goals Encourages equity ownership and stockholder alignment Retains key employees	Target awards based on competitive marketplaces, level of position, skills and performance of the executive Actual award values based on performance against corporate goals and TSR performance
All others: — Benefits — Limited perquisites — Severance protection	Supports the health and security of our executives and their ability to reinvest in a tax-deferred basis Enhances executive productivity	Competitive market practices for similar roles Level of executive Standards of best-in-class governance

Financial Highlights

As illustrated below for the three key financial measures used to fund our pay-for-performance incentive awards, we exceeded two of our three goals reflected in our business plan in fiscal 2019, even as the global macroeconomic and foreign currency environment was challenging.

GAAP Net Revenue	Adjusted Non-GAAP Net Earnings	Non-GAAP Free Cash Flow
\$58.8 \$BILION	\$3.8 \$BILION	6.78%
Use defined on page 40 compared to a target goal of \$40.0 billion under our annual incentive plan.	Use defined on page 40 compared to a target goal of \$3.7 billion under our annual incentive plan.	Use a percentage of revenue, as defined on page 40 compared to a target goal of 6.50% under our annual incentive plan.

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Executive Compensation

Overview

Alignment with Stockholders and Compensation Best Practices

Pay-for-Performance	Corporate Governance
<ul style="list-style-type: none"> The majority of target total direct compensation for executives is performance-based as well as equity-based to align executive reward with stockholder value. Total direct compensation is targeted to be near the median of peers to ensure that it is competitive and competitive. Actual realized total direct compensation and pay positioning are designed to fluctuate with, and be commensurate with, actual annual and long-term performance, recognizing company-wide, business, and individual results. Incentive awards are heavily dependent upon our stock performance and are measured against absolute financial metrics that we believe drive either directly or indirectly to the creation of value for our stockholders. In addition, 20% of our target annual incentives are contingent upon the achievement of qualitative objectives that we believe will contribute to our long-term success. We balance growth, cash flow, revenue and profit objectives, as well as short- and long-term objectives to reward for overall performance that does not over-emphasize a singular focus on a particular metric or time period. A significant portion of our long-term incentives are primarily delivered in the form of performance-adjusted restricted stock units, referred to as “RRSUs,” which will only upon the achievement of relative total shareholder return (TSR) and EPS objectives. We utilize the pay-for-performance relationship on an annual basis and our Human Resources and Compensation (HRC) Committee reviews and approves performance goals under our incentive plans. The compensation of objectively identified peer companies based on industry and size criteria is considered to confirm that pay levels for the NEOs are appropriate and competitive. The maximum payable under annual incentive awards and under RRSUs are capped at 200% of bonus target and 2x shares. 	<ul style="list-style-type: none"> We do not utilize executive employment contracts for senior officers. We devote significant time to management succession planning and leadership development efforts. We maintain a consistent stockholder-aligned severance policy for executives and a conservative change in control policy which requires a double trigger for execution. The HRC Committee engages an independent compensation consultant. We have clawback and equity forfeiture provisions that provide the Board with discretion to rescind compensation in the event of a material financial statement or misconduct that results in material reputational harm to the Company, which mitigates compensation-related risk. We maintain strong stock ownership guidelines for executive officers and non-executive Directors. We prohibit all employees, including our executive officers, and also non-executive Directors, from engaging in any form of trading in securities involving HP securities, holding HP securities, in-margin accounts and pledging stock as collateral for loans in a manner that could create compensation-related risk for the Company. We conduct a robust stockholder outreach program throughout the year and use that input to inform our program decisions and pay practices. We disclose our corporate performance goals and achievements relative to these goals. We do not provide executive perquisites to our employees, including our executive officers. We do not allow our executives to participate in the determination of their own compensation.

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United Therapeutics

LETTER FROM OUR COMPENSATION COMMITTEE CHAIRMAN (PAGES 40 TO 44)

https://s1.q4cdn.com/284080987/files/doc_financials/2020/ar/2020-Proxy-Statement.pdf

Executive Compensation

Letter from Our Compensation Committee Chairman

Dear Fellow United Therapeutics Shareholders:

STRONG PERFORMANCE UNDER CHALLENGING CIRCUMSTANCES

On behalf of our Compensation Committee, I am delighted to report that 2019 continued our business transformation. We entered 2019 facing generic competition for two of our five commercial products: Adcirca and Remodulin. Nevertheless, we closed 2019 with more patients than ever before being treated with our treprostinil-based therapies. We were incredibly pleased that we achieved our revenue target of \$1.45 billion, delivered through strong execution and growth in three of our key products: Orenitram, Tyvaso, and Unifloxin. Further, Remodulin revenues held strong despite facing generic competition for most of 2019. Profitability also remained strong and our balance of cash, cash equivalents, and marketable securities grew from \$1.86 billion to \$2.25 billion from December 31, 2018 to 2019. We relaunched Orenitram with an expanded label following our successful FREEDOM-EV study and we made substantial progress on several critical research and development programs intended to produce new therapies and delivery devices as well as expand the use of our existing products into new indications. All of these advancements have continued to build on our strong foundation and have created a platform for future growth for our shareholders. Our past, ongoing, and future success is rooted in the strength of our leadership team, which has delivered consistently strong performance over time.

I have reflected over the past year on the cyclical nature of our industry. As a director and shareholder of United Therapeutics, I have enjoyed the tremendous experience of helping to lead this company through 15 straight years of revenue growth (2002-2017) as our approved product portfolio grew to include five FDA-approved drugs for rare, life-threatening diseases. As our leadership team continues to develop a pipeline of potential remedies and groundbreaking technologies to improve the way we address and treat these and other rare, life-threatening conditions, they are also delivering operational excellence. In 2018 and 2019, we faced our first — and what we anticipate will be temporary — revenue trough. Despite having profit and revenue goals that appear “lower” than the previous year’s performance, with two products facing generic competition, our team is working harder than ever to achieve the rigorous goals we have set. Guiding and incentivizing our leadership team to successfully implement our long-term strategy — including a return to revenue growth — requires a balanced approach to compensation. Our human capital management priorities are of high urgency to the Committee at this pivotal point in our growth.

OUR COMPENSATION PROGRAM INCENTIVIZES, RETAINS, AND REWARDS WHILE REDUCING ANNUALIZED PAY VOLUME

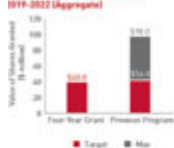
With an objective to incentivize and retain our leadership team, as well as balance and incorporate shareholder concerns, our Compensation Committee put together a unique and thoughtfully designed plan in 2019. We made the decision to grant our Named Executive Officers a four-year stock option grant in May 2019 performance period of 2019 through 2022 to align with our four-year business plan. This single grant is in place of equity awards and replaces the prior annual program. This grant was awarded in two equal tranches. One-half was awarded with a 15% premium exercise price and the other half were awarded with an exercise price equal to the current market price of our common stock.

Executive Compensation

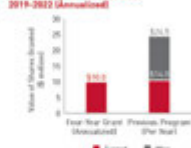
When viewed on an annualized basis, this four-year grant significantly reduces both the volume of Chief Executive Officer pay and shareholder dilution when compared to our previous program assuming it was carried forward for four more years. We believe this unique program directly addresses shareholder concerns and hope that shareholders understand our intent in asking them to view this grant across the four-year period when evaluating our compensation programs for 2019.

As the chart below, we compared the annualized and aggregate impact of the four-year grant to our Chief Executive Officer, versus carrying forward the previous program from 2014 for the period 2019-2022. In carrying forward the previous program, we assume an annual Chief Executive Officer target stock option grant valued at \$14 million at target, with 50% of this amount subject to achieve target equal or up to 150% for stock performance, and the other 50% subject to achieve target equal or up to 100% for stock performance. For the dilution chart, we show three different potential stock price scenarios to provide an illustrative view of how our new program may significantly reduce dilution to shareholders.

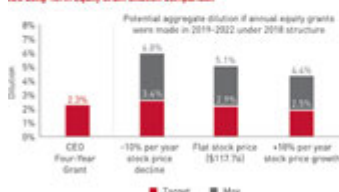
CEO Stock Option Value Granted 2019-2022 (Aggregate)



CEO Stock Option Value Granted 2019-2022 (Annualized)



CEO Long-Term Equity Grant Dilution Comparison



As shown above is illustrative only, and is intended to compare the calculated dilution of our four-year grant to the potential aggregate dilution of carrying forward the previous program from 2014 for 2019-2022. All of the above dilution calculations assume an annual share repurchase.



We achieved our revenue target of **\$1.45 billion**, delivered through strong execution and growth in three of our key products: Orenitram, Tyvaso and Unifloxin.



Our 2019 program uniquely achieves the strategic objectives of our compensation philosophy and is intended to ensure the retention and motivation of our executive leadership team while retaining value to our shareholders by incentivizing long-term growth, reducing dilution, and aligning executive pay with shareholder interests.

In this letter, I also want to emphasize how our 2019 equity compensation program was designed to address shareholder concerns, while balancing shareholder interests in retaining and incentivizing our executive leadership team. We understand that awarding equity as a four-year grant, instead of separate grants each year, results in grant values reported in our **Summary Compensation Table** that are higher than our typical practice. However, the annualized value of these grants, as shown in our **Supplementary Summary Compensation Table**, has enabled us to significantly reduce the volume of pay to our Named Executive Officers when compared to the prior program. In fact, the **annualized compensation to our Chief Executive Officer fell from the top quartile in 2018 to approximately the 50th percentile of our peer group in 2019**.

Below is an illustrative example of our Chief Executive Officer’s compensation over the four-year period covered by this equity program, as disclosed in the **Summary Compensation Table**, assuming she earns 100% of her annual cash bonus at target and her annual base salary remains unchanged from her current salary.

Pay Component	2019	2020	2021	2022	Average Annualized
Base Salary*	\$1,775,000	\$1,775,000	\$1,775,000	\$1,775,000	\$1,775,000
Cash Bonus*	\$1,482,500	\$1,482,500	\$1,482,500	\$1,482,500	\$1,482,500
Equity Compensation	\$48,070,000	\$—	\$—	\$—	\$10,800,000
Total Compensation	\$62,487,500	\$2,477,500	\$2,477,500	\$2,477,500	\$12,480,000

* For purposes of this illustration, we assume that 2019-2022 annual salary and cash bonus target remain unchanged over the four-year period, and that the annual bonus is earned at target each year.

When evaluating the annual compensation of our Chief Executive Officer and our other Named Executive Officers, our Compensation Committee evaluated the four-year grant on an annualized basis over the four-year period, as represented in the “Average Annualized” column above in the case of our Chief Executive Officer.

We believe that our shareholders should evaluate our 2019 compensation program taking into consideration that this equity grant is intended to cover four years of equity as we do not anticipate granting any additional equity to our Chief Executive Officer or other Named Executive Officers until 2023. Therefore, we strongly suggest our shareholders view the four-year grant on an annualized basis. If the four-year grant is viewed on an absolute basis (treating the entire amount as compensation paid in 2019), then this grant should result in dramatically reduced compensation shown in the **Summary Compensation Table** for the next three years (2020-2022) given that our Compensation Committee does not intend to grant further equity through 2022.

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Say-On-Pay Outcome and Shareholder Outreach

We value the opinions of our shareholders. Over the past several years, we have worked with our management team to lead increased and ongoing engagement with our shareholders on compensation matters and we have significantly evolved our compensation program as a result of those discussions. Our shareholders have communicated directly to me not only their concerns, but their appreciation of many of our fundamentals and our goal of evolving the executive compensation program, over time, in order to retain, motivate and incentivize our executive team — a team which has consistently delivered market leading long-term performance. Additionally, we have enjoyed great dialogue with our shareholders on our governance best practices, and have appreciated suggestions to enhance our ESG transparency as we continue to grow. Indeed, our 2018 executive compensation program, which was 92% performance-based for our Chief Executive Officer, was designed to directly address shareholder feedback. We were therefore disappointed with our negative Say-On-Pay result last year, with holders of only 27% of shares voting in favor. We understand that certain elements of our compensation program design did not align with certain shareholders' pay-for-performance expectations and have responded with a goal of remedying this.

In 2019, we reached out to shareholders holding approximately 70% of our outstanding shares and met with shareholders holding approximately 30% of our outstanding shares. This included an outreach effort in the spring of 2019, as well as outreach in the fall following our 2019 annual meeting. We also held discussions with the two largest proxy advisory firms. These outreach efforts and discussions were led by myself and the Chairman of our Nominating and Governance Committee, Christopher Patusky. These conversations included, where appropriate, representatives of human resources, legal, and investor relations, and sometimes included representatives of Iridford, our independent compensation consultant. In reviewing feedback received to date, we believe there are five key issues that contributed to our 2019 Say-on-Pay result, as described in the table below along with how we have addressed each issue. **Notably, the design of our four-year equity grant for 2019-2022 was in direct response to feedback received during our ongoing shareholder engagements.** This new equity program creatively balances our human capital management needs, responds to the feedback and expectations of our shareholders, and is consistent with best practices. These changes continue to align and reinforce our key strategic and talent objectives.

Shareholder Concern	Compensation Committee Action
Volume of Chief Executive Officer pay relative to peers	Chief Executive Officer total target direct compensation has decreased from the top quartile to approximately the 50th percentile of our peer group, when viewing the four-year grant on an annualized basis. Our new equity program reduces Chief Executive Officer equity compensation expense compared to our 2018 program by 29% at target and by 59% at max.
Overlapping goals between short-term and half of our long-term incentive equity program reward the same performance twice	The 2019 grant has removed the Milestones from the long-term incentive program, eliminating this concern

Over-emphasis on short-term performance with the use of a 1-year performance period in half of our 2018 long-term incentive program

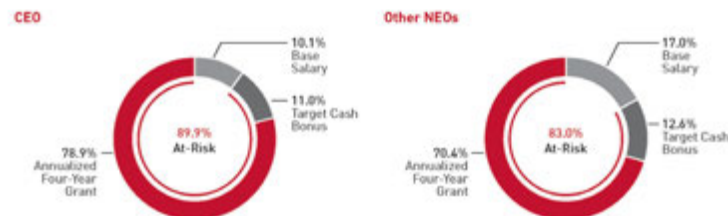
Goals were lower in 2018 when compared to 2017 actual performance, and operational results for the 2018 performance year resulted in a maximum payout for both cash bonus and half of the equity award for 2018

Certain shareholders have a preference for relative metrics in the long-term incentive program

Executive Compensation

Strengthening Our Pay-For-Performance Philosophy

Since our founding, we have been strong believers in pay-for-performance. In fact, our 2018 program demonstrated this belief, with 92% of our Chief Executive Officer compensation at-risk based on performance in 2018. However, we understand that certain elements of the design of our 2018 program did not align with our shareholders' pay-for-performance expectations. Our executive compensation program has always involved a predominant focus on at-risk pay, tied directly to company performance via our cash incentive and long-term incentive plans. This philosophy is strengthened by our 2019 equity program. Demonstrating our commitment to pay-for-performance, half of our 2019 equity program was awarded as premium-priced stock options, granted with an exercise price of \$135.42 which was 15% above our closing stock price on the date of the grant. The other half was granted in the form of stock options with an exercise price equal to our closing stock price on the date of grant. The vesting of these options is weighted toward the end of a four-year period, and with only an eight-year term. We believe this program is entirely performance-based, as it ties the realizable pay for our executives directly to shareholder interests in driving stock performance. Combined with a performance-based cash incentive program, we believe that shareholders should agree that our Chief Executive Officer's total compensation program is strongly performance-based. Notably, the vast majority of pay for our Chief Executive Officer (89.9%) and our other Named Executive Officers (83.0%) is at-risk and heavily dependent on goal attainment and share price growth in order to deliver any realizable value, as shown in the charts below.



We Appreciate Your Support

I hope this letter conveys the sincerity with which we have addressed the requests and ideas our shareholders raised regarding our executive compensation program in 2019 and in prior years. On that note, I want to personally thank those shareholders with whom we have had the opportunity to meet over the past several years, and in particular those shareholders who provided us with input and guidance around best practices for explanation and disclosure of our new equity program. As our responsiveness demonstrates, we very much value the dialogue. Our Compensation Committee has implemented a balanced, performance-driven program for 2019-2022 that we believe will benefit our company and our shareholders going forward. While there is an unfortunate, anomalous impact on the compensation values we are required to report for 2019, we hope this letter clarifies why this is so and provides an understanding of the one-time nature of that impact.

Please review the **Compensation Discussion and Analysis** beginning on the following page for further information and detail about our executive compensation program. We look forward to your continued support of United Therapeutics generally, and your support of our Say-on-Pay proposal this year.

Sincerely,

CHRISTOPHER CAUSEY
Compensation Committee Chairman

COMPENSATION DISCUSSION AND ANALYSIS ("CD&A")

This CD&A describes our executive compensation program for the Chief Executive Officer ("CEO"), the former interim Chief Executive Officer ("former CEO"), the former Chief Financial Officer ("former CFO"), and the three other most highly compensated executive officers who were serving as executive officers at fiscal year end (July 28, 2019), (collectively with the CEO, former CEO and former CFO, "named executive

officers" or "NEOs"). The Compensation and Organization Committee ("Committee") of the Board of Directors oversees all aspects of NEO compensation, including annual incentive compensation under our Annual Incentive Plan ("AIP") and long-term incentive compensation under our Long-Term Incentive Program ("LTIP Program"). The fiscal 2019 NEOs are:

• Mark A. Clouse	President and Chief Executive Officer
• Keith R. McLaughlin	Former Interim President and Chief Executive Officer
• Anthony P. DiSilvestro	Former Senior Vice President and Chief Financial Officer*
• Carlos Abrams-Revera	Senior Vice President and President, Campbell Snacks
• Adam G. Ciorgoli	Senior Vice President and General Counsel
• Luca Mignini	Former Executive Vice President – Strategic Initiatives

* Mr. DiSilvestro served as Senior Vice President and Chief Financial Officer of the Company until September 30, 2019.

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CEO Transition

In May 2018, our Board appointed Keith R. McLaughlin as Interim President and Chief Executive Officer to serve until the appointment by the Board of a permanent president and chief executive officer. On December 20, 2018, the Board elected Mark A. Clouse as President and Chief Executive Officer. Effective January 22, 2019.

In discussing further below, Mr. Clouse's compensation is presented with our executive compensation program for the other NEOs and with the Committee's compensation philosophy, principles and policies. Mr. Clouse's fiscal 2019 compensation package consists of:

- annual base salary of \$1,000,000;
- AIP target of 140% of base salary (pro-rated for fiscal 2018); and
- long-term incentive award target of 500% of base salary under the Company's LTIP Program.

Mr. Clouse received his target long-term incentive award of \$5,000,000 for fiscal 2019 on January 22, 2019, and also received a sign-on grant of 150,000 restricted stock awards. In setting Mr. Clouse's compensation, the Committee reviewed CEO benchmarks within the Compensation Peer Group and established a compensation package that was consistent with these benchmarks and which the Committee believed was appropriate and necessary to recruit an executive of Mr. Clouse's caliber.

When Mr. Clouse became President and Chief Executive Officer on January 22, 2019, Mr. McLaughlin resumed his status as an independent director. For his service as Interim President and Chief Executive Officer, the Board received a cash bonus of \$1,650,000 for Mr. McLaughlin.

The compensation arrangements for Mr. Clouse and Mr. McLaughlin are further described throughout the CD&A.

2 WHAT ARE OUR COMPENSATION PRACTICES?

Compensation Objectives

The objectives of our executive compensation program are to:

- Align the financial interests of the NEOs with those of our shareholders, in both the short and long term;
- Provide incentives for achieving and exceeding our short-term and long-term goals;
- Attract, motivate and retain our key executives by providing total compensation opportunities that are competitive with opportunities offered by other companies in the food, beverage and consumer products industries; and

- Differentiate the level of compensation based on individual and business unit performance, leadership potential and level of responsibility within the organization. Individual performance is rated based upon demonstrated leadership skills, accomplishment of objectives, business unit or functional accountabilities and personal contributions.

Compensation Principles and Policies

The Committee annually reviews and approves the principles and policies for executive compensation. In fiscal 2019, the Committee reviewed the compensation principles and policies and made the following changes: (1) removed references to targeting compensation at 75% to 100% above median and related reference to targeting compensation to approximate the targeted median; (2) removed references to the Committee's compensation philosophy; and (3) removed references to stock options in the long-term incentive program, as the Committee had determined it would not use stock options as part of the fiscal 2020 long-term incentive grants. The latest compensation principles and policies are:

- Campbell offers a total compensation package that is designed to link pay to Company, business unit and individual performance and attract, motivate and retain talent of the caliber needed to deliver successful business performance in absolute terms and relative to competition;
- Compensation levels are set after comparing Campbell's pay levels and practices to the practices of the Compensation Peer Group (see pages 39 and 40), which is reviewed annually by the Committee;
- Campbell targets total annual compensation, consisting of salary, annual incentive and long-term incentives, to approximate the targeted median; to enable the Company to recruit and retain executive talent. A regression analysis is performed to adjust the compensation data for the top executive positions to take into account differences in the total revenue of various peer companies compared

to our total revenue. Our competitive position is reviewed annually by the Committee. An individual executive's salary, target annual incentive and target long-term incentives may be higher or lower than the targeted median due to a number of factors including the scope of the individual's job responsibilities, his or her individual contributions and experience, business performance and job market conditions.

- Annual incentive payments are based on our performance compared to the goals established at the beginning of the fiscal year in designated measurement areas relating to our financial and enterprise priorities for that year. The Committee evaluates performance compared to the annual goals to establish the AIP goal and uses its discretion to make any adjustments;
- Long-term incentive grants are delivered in a combination of performance-restricted share units and time-based restricted share units, with the mix varying by level of responsibility within the organization; and
- Senior executives have a substantial portion of their compensation at risk, based upon the achievement of the performance goals for annual incentive payments and the performance goals for long-term incentives. To further align the interests of our senior executives with those of shareholders, a higher proportion of the incentives compensation delivered to senior executives is through performance-based long-term incentives that are paid out depending upon our financial performance (see pages 44 through 46 for a description of the LTIP Program).

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1 WHAT HAPPENED IN 2019?

2019 Strategic Progress and Financial Results

On August 30, 2019, we announced the results and objectives from our strategic review. During fiscal 2019, we made significant progress towards achieving our objectives.

August 2018 Objectives	Fiscal 2019 Accomplishments
<ul style="list-style-type: none"> • Focus the Company on two distinct businesses - Snacks and Meals & Beverages, in our core North American market • Divest Campbell Fresh and Campbell International 	<ul style="list-style-type: none"> • Developed a new, streamlined strategy focused on one geography and two core businesses • Sold our U.S. refrigerated soup business on February 25, 2019 • Sold our Garden of Eatin' business on April 25, 2019 • Sold our Rothmans Farms business on June 16, 2019 • Signed a definitive agreement for the sale of our Keweenaw business on July 12, 2019, and completed the sale on September 23, 2019 • Signed a definitive agreement on August 1, 2019, for the sale of our Amott's business and certain other international operations
<ul style="list-style-type: none"> • Reduce debt 	<ul style="list-style-type: none"> • Divestiture net proceeds of approximately \$2 billion will be used to significantly reduce our debt
<ul style="list-style-type: none"> • Increase cost savings target 	<ul style="list-style-type: none"> • Achieved \$560 million of the expected \$850 million in cost savings from continuing operations that we expect to achieve by the end of fiscal 2022

On August 30, 2019, we announced our fiscal 2019 financial results, which included:

- Net sales of \$8.157 billion
- Earnings before interest and taxes ("EBIT") of \$379 million
- Adjusted EBIT of \$1,256 billion
- Earnings per share ("EPS") from continuing operations of \$1.67
- Adjusted EPS from continuing operations of \$2.30
- Cash flows from operations of \$1,386 billion

2019 Executive Compensation: New Developments and Payouts

In fiscal 2019, the Committee made a number of changes to the Company's executive compensation program:

- Moved away from using a balanced scorecard to measure performance under the AIP and began to utilize a more formulaic approach with three financial metrics - net sales, adjusted EPS and free cash flow - to determine funding for the AIP goal. The Committee believes these financial metrics are aligned with the Company's strategic objectives and that achievement of the Company's sales, earnings and cash flow goals are essential to creating shareholder value;
- Included free cash flow as a performance measure in the fiscal 2019 LTIP Program to further align executive compensation with the Company's most important business objectives; and

More information on our business performance in fiscal 2019 is available in our 2019 Form 10-K, which is included in the 2019 Annual Report to Shareholders that accompanies this proxy statement. Information on items impacting comparability is available in Appendix A, which also provides a reconciliation of adjusted EBIT and adjusted EPS, which are non-GAAP measures, to their most comparable GAAP measures.

- Adopted the Campbell Soup Company Executive Severance Plan to provide a common standard for severance benefits for the NEOs in the event of an involuntary termination without cause.

Our financial performance in fiscal 2019 met or exceeded the metrics that were established by the Committee under the AIP, as discussed on pages 42 and 43. Based on our results and the Committee's overall evaluation of Company performance in fiscal 2019 as further described on pages 42 and 43, the Committee funded the AIP goal at 100% of target.

Our total shareholder return ("TSR") performance over the three-year performance period ending in fiscal 2019 was in the bottom quartile of the Performance Peer Group, resulting in the TSR performance restricted share units with a performance period ending in fiscal 2019 vesting at 0% of target. See page 47 for additional information.

36 www.campbellsoupcompany.com

[https://s1.g4cdn.com/019733279/files/doc_downloads/2019/2019-Proxy-Statement-Royal-Gold-\(bookmarked-high-res\).pdf](https://s1.g4cdn.com/019733279/files/doc_downloads/2019/2019-Proxy-Statement-Royal-Gold-(bookmarked-high-res).pdf)

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EXECUTIVE COMPENSATION

Overview

Compensation Philosophy

We design our executive compensation program to align the interests of our executive officers with the interests of our shareholders. We believe this requires:

clear articulation of corporate and individual performance goals

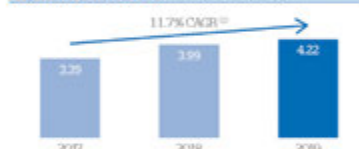
a competitive, financially disciplined executive compensation program that rewards past success and creates the appropriate incentives for future conduct

transparent measurement against both corporate and individual performance goals

Financial Performance

Our business performance is a key factor in determining executive compensation. 2019 was a year of industry and business transition. As reflected in the "2019 Business Highlights" section beginning on page 11, Altria's core tobacco businesses delivered outstanding performance in 2019. Additionally, Altria exceeded its \$575 million annualized cost savings target. The strong performance of our core tobacco businesses resulted in us meeting our financial targets. However, we were disappointed in the performance of our JUUL investment during the year, and the performance of Altria's stock lagged that of our peers and the general market. The following graphs summarize our one- and three-year performance against key financial indicators.

Adjusted Diluted EPS (12/31/2016 - 12/31/2019) (S)



⁽¹⁾ Compound annual growth rate ("CAGR") based on 2016 adjusted diluted EPS of \$3.03.

Dividend Rate⁽¹⁾ (8/24/2017 - 8/22/2019) (S)

⁽¹⁾ Annualized dividend based on quarterly dividend rate per share of Altria common stock declared in August of each year.

⁽²⁾ CAGR based on the annualized dividend rate per share of Altria common stock of each August dividend.

2019 TSR (12/31/2018 - 12/31/2019) (%)



Source: Bloomberg Daily Return (December 31, 2018 - December 31, 2019).
Note: Assumes reinvestment of dividends as of the ex-dividend date.

Three-Year TSR (12/31/2017 - 12/31/2019) (%)



Source: Bloomberg Daily Return (December 31, 2017 - December 31, 2019).
Note: Assumes reinvestment of dividends as of the ex-dividend date.

EXECUTIVE COMPENSATION

Pay-For-Performance

The following graph illustrates the relationship between our CEO's total direct compensation (including annualized LTP compensation) and our indexed TSR.

CEO Pay⁽¹⁾ vs. Indexed TSR⁽²⁾

⁽¹⁾ CEO pay is calculated using an annualized allocation of the actual 2017 - 2019 LTP award. All other pay elements are based on the Summary Compensation Table values.

⁽²⁾ Indexed TSR reflects a December 31, 2016 starting point with an annual value of 100 and represents the % growth (including dividends) from that date through each December 31.

⁽³⁾ 2017 represents the top three compensation officers of our former Chairman, CEO and President, Martin J. Barnhill.

⁽⁴⁾ 2018 represents Mr. Barnhill's total direct compensation calculated as a sum of his total direct compensation as Executive Vice President and Chief Operating Officer (January 1 through May 10) and as Chairman and CEO (May 11 through December 31).

Say-on-Pay and Shareholder Engagement

At the 2019 Annual Meeting, over **94%** of the votes cast approved our NEO compensation on an advisory basis.

We provide our shareholders with an annual advisory vote ("say on pay") on the compensation of our NEOs. This vote is not binding on us, our Board or the Committee.

While the Committee acknowledges the historically strong shareholder support for our executive compensation programs, it is also committed to regularly reviewing the program in the context of our compensation philosophy.

We periodically engage with large investors to discuss our executive compensation program. We value the perspectives we gain from these engagement activities.

Performance Food Group

EXECUTIVE COMPENSATION PROGRAM OBJECTIVES AND OVERVIEW (PAGE 38)

🔗 https://s22.q4cdn.com/140600076/files/doc_financials/annual/2019/pfgc_courtesy-pdf.pdf

Executive Compensation

Executive Compensation Program Objectives and Overview

Our current executive compensation program is intended to achieve two fundamental objectives:

1 attract, motivate, and retain high-caliber talent

2 align executive compensation with achievement of our overall business goals, adherence to our core values, and stockholder interests

In structuring our current executive compensation program, we are guided by the following basic philosophies:



Competitive Compensation. Our executive compensation program should provide a fair and competitive compensation opportunity that enables us to attract and retain high-caliber executive talent. Executives should be appropriately rewarded for their contributions to our successful performance.



Pay for Performance. A significant portion of each executive's compensation should be "at risk" and tied to overall Company, business unit, and individual performance.



Alignment with Stockholder Interests. Executive compensation should be structured to include elements that link executives' financial rewards to stockholder returns.



WHAT WE DO

- ✓ Performance driven pay
- ✓ Pay aligned to peers
- ✓ Transparency to stockholders
- ✓ Clawback policy
- ✓ Stock ownership requirements
- ✓ Independent compensation consulting firm reporting directly to the Board of Directors
- ✓ Double-trigger severance agreements
- ✓ Modest perquisites
- ✓ Insider trading requirements



WHAT WE DON'T DO

- ✗ No excise tax gross-ups
- ✗ No modified single-trigger or single-trigger change-in-control severance agreements
- ✗ No uncapped incentive compensation opportunities
- ✗ No hedging of shares by our directors or employees
- ✗ No excessive perquisites
- ✗ No repricing of underwater stock options
- ✗ No dividends provided on unearned performance awards

As described in more detail below, the material elements of our executive compensation program for NEOs include base salary, a cash bonus opportunity, a long-term equity incentive opportunity, and broad-based employee benefits. The NEOs may also receive severance payments and other benefits in connection with certain terminations of employment or a change in control of the Company. We believe that each element of our executive compensation program helps us to achieve one or more of our compensation objectives, as illustrated by the table below.

Compensation Element	Compensation Objectives Designed to be Achieved
19% Base Salary	Recognize ongoing performance of job responsibilities.
19% Cash Bonus Opportunity	Compensation "at risk" and tied to achievement of annual business goals.
45% Long-Term Equity Incentive Opportunity	Compensation "at risk" and aligned to create stockholder value and achieve long-term business goals.
2% Benefits and Perquisites	Attract and retain high-caliber talent and provide a basic level of protection from health, dental, life, and disability risks.
15% Severance and other Benefits Potentially Payable Upon Certain Terminations of Employment or a Change in Control	Encourage the continued attention and dedication of our executives and provide reasonable individual security to enable our executives to focus on our best interests, particularly when considering strategic alternatives.

These individual compensation elements are intended to create a total compensation package for each NEO that we believe achieves our compensation objectives and provides competitive compensation opportunities.

Foot Locker

EXECUTIVE SUMMARY (PAGES 38 TO 40)

https://investors.footlocker-inc.com/static-files/d1955f55-2cfb-46a7-8d29-15fe14540c57

Executive Compensation

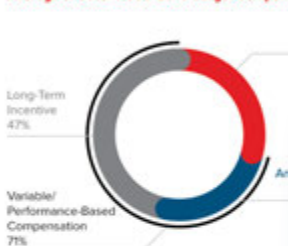
Executive Summary

Our Compensation Committee, comprised of six independent directors, oversees the executive compensation program. We design our executive compensation program to attract, motivate, and retain talented executives responsible for executing the Company's short- and long-term strategic priorities and, in turn, deliver value to our shareholders. The centerpiece of our program is our pay-for-performance philosophy that aligns pay outcomes to the achievement of our annual operating plan and long-term strategy, and the creation of shareholder value. This is especially true at senior levels of the Company where most of the compensation of our NEOs is tied to Company operating performance as well as the performance of our stock. As shown in the charts below, for 2019, 87% of the CEO's target compensation mix, and 71%, on average, of the other NEOs' target compensation mix, for the compensation program represented variable/performance-based compensation.

CEO's 2019 Target Compensation Mix



Average of Other NEOs' 2019 Target Compensation Mix



Key Compensation Practices and Policies

WHAT WE DO

- ✓ Align executive pay closely with performance and Company's strategy
- ✓ Set rigorous, objective performance goals
- ✓ Maintain a clawback policy
- ✓ Impose and monitor meaningful stock ownership guidelines
- ✓ Require a one-year time-based vesting period for earned long-term incentive plan ("LTIP") payouts following attainment of performance goals
- ✓ Include double-trigger change in control provisions in employment agreements and equity awards
- ✓ Mitigate undue risk in compensation programs
- ✓ Provide reasonable perquisites
- ✓ Retain independent compensation consultant to advise the Compensation Committee
- ✓ Hold annual "Say-on-Pay" advisory vote
- ✓ Conduct

WHAT WE DO NOT DO

- ✗ No tax gross-ups for perquisites or control payments
- ✗ No hedging or pledging of the Company's stock
- ✗ No repricing of stock options without shareholder approval
- ✗ No stock options granted below fair market value
- ✗ No dividends or dividend equivalents time-based RSUs or unearned PBRs
- ✗ No excessive severance benefits

Executive Compensation

As division executives, Mr. Jacobs' and Mr. Kimble's annual incentive awards were based on their respective division's omni-channel profit (weighted 60%), Adjusted Pre-Tax Income (weighted 20%), and customer connected scorecard (weighted 20%). Mr. Jacobs and Mr. Kimble earned annual incentive payouts of 58.9% and 52.3%, respectively, of their target awards.

LTIP

The Compensation Committee established the net income and ROC targets in 2018 for the 2019-20 performance period. The Company achieved average annual net income of \$555.4 million and ROC of 12.7% for this performance period, which resulted in target LTIP awards being earned by the NEOs. The LTIP awards are denominated 100% in RSUs and the RSUs will be paid out in 2020, following a one-year time-based vesting period. The targets, along with the adjusted actual performance for the period, and the calculation of ROC are shown in the table below.



See pages 41 through 44 for more details on these incentive programs and performance goals.

Say-on-Pay Shareholder Vote

At our 2019 Annual Meeting, over 91% of shareholders voting on the advisory vote on executive compensation supported the executive compensation program. The Compensation Committee considered the results of the 2019 Say-on-Pay vote and our shareholders' support of our executive compensation program in reviewing the program for 2020. In light of this support, the Compensation Committee decided to retain the general program design. In the future, the Compensation Committee will continue to assess the executive compensation program against changing business conditions and shareholder feedback. Our Say-on-Pay vote is currently held on an annual basis, consistent with the preference expressed by a majority of our shareholders. See pages 24 through 25 for more details on our shareholder engagement program.

2019 Compensation Decisions

The Compensation Committee made compensation decisions for our NEOs in 2019, including setting and approving incentive compensation performance goals. In making its decisions, the Compensation Committee considered (i) each executive's compensation in light of their performance, position, and career potential, (ii) internal peer pay comparisons, (iii) relevant market data for comparable positions and, where applicable, year-over-year changes in market data, and (iv) retention and succession planning.

- Base Salaries** - As part of its annual review of compensation, the Compensation Committee approved base salary increases for Mr. Johnson, Mr. Peters, Mr. Jacobs, and Mr. Verma as of May 1, 2019, of 4.6%, 3.7%, 2.9%, and 13.6%, respectively, based on each executive's performance and a position-oriented analysis of market salaries.
- CEO Long-Term Equity Incentives** - The Compensation Committee increased the target long-term equity incentive award for Mr. Johnson to 325% of his annual base salary from 250% in the prior year, to reflect a position-oriented analysis of market compensation. Target long-term equity incentive awards for our other NEOs remained unchanged.

FOOT LOCKER, INC.

Performance Highlights

We built positive momentum and improved our financial results in 2019. Highlights include the following:



¹ A reconciliation to GAAP is provided beginning on page 16 of our 2019 Annual Report on Form 10-K.

Impact of Company Performance on Annual and Long-Term Incentive Pay

We have a history of setting very challenging performance goals. Incentive payouts are earned only when we achieve or exceed our goals.

ANNUAL INCENTIVE PLAN

Our most recently completed performance periods illustrate our commitment to pay for performance. We built positive momentum and improved our financial results in 2019, and we were profitable, however, we fell short of our plan in certain areas of the business. As a result, Mr. Johnson, Mr. Peters, and Mr. Verma earned annual incentive payouts of 60.6% of their respective target awards for 2019.



2020 Proxy Statement

Proposal 2 Advisory Approval of Our Executive Compensation

Compensation Discussion and Analysis

Executive Overview

This Compensation Discussion and Analysis provides a review of our executive compensation philosophy and program, and Compensation Committee decisions for fiscal 2019. The discussion in this section focuses on the compensation of the NEOs for fiscal 2019, who were:

VALENTIN P. GAPONTSEV, PH.D.
Chairman and Chief Executive Officer

EUGENE SCHERBAKOV, PH.D.
Chief Operating Officer, the Managing Director of IPG Laser GmbH, our subsidiary, and Senior Vice President, Europe

TIMOTHY P.V. MAMMEN
Senior Vice President and Chief Financial Officer

ANGELO P. LOPRESTI
Senior Vice President, General Counsel and Secretary

ALEXANDER OVTCHINNIKOV, PH.D.
Senior Vice President, Components

Detailed bios of the NEOs are included in the Annual Report.

Financial and Strategic Highlights of 2019

We shipped a record number of high power lasers in 2019 and increased sales of lasers at 10 kilowatts or greater by more than 25%. However, given weaker industrial demand trends resulting from escalation of the US-China trade conflict and macroeconomic challenges in our largest regions, revenue in 2019 decreased by 10%. As we enhance our capability in providing complete laser solutions to end customers, we sold a record number of laser systems for materials processing in 2019. Furthermore, we are leveraging one of the largest R&D investments in the laser industry to launch leading edge products, and in 2019 new product sales were 19% of total revenue. Because of lower absorption of fixed costs in our vertically-integrated production model, lower product pricing, foreign exchange headwinds and other factors, our industry-leading gross margin declined to 46%. We delivered operating cash flow of \$324 million in 2019 and maintain one of the strongest balance sheets in the industrial automation industry, with more than \$1 billion net cash and ample liquidity at December 31, 2019.

2019 Executive Compensation Highlights and Changes to 2020 Compensation Program

The Compensation Committee held 2019 executive base salaries, target annual incentives and long term equity incentives at 2018 levels, reflecting the global macroeconomic environment existing at the start of 2019. Financial performance fell short of targets in 2019, which resulted in no 2019 annual incentive payouts for financial performance. Merit-based compensation opportunity is based upon annual net sales and profitability against threshold performance goals. Our NEOs earned a smaller payout based upon their individual performance. We undertook operational improvements to reduce expenses and increase cash flow as the d

In 2019, our equity-based award program for executives included service-based stock options, performance-based stock units ("PSUs"), with each award type representing approximately equal long-term incentive opportunity (at target for the PSUs). In 2019, the Compensation Committee modified our executive equity-based award program which the relative performance of the Company's stock is measured for the 2019 PSU award. Electronic Equipment, Instrument and Components Index ("S&P Electronics Index") because correlation among constituents with the Company, and because the Company's market capitalization is in line with the range of such measures in the S&P Electronics Index as compared to the R years. IPG is a member of the S&P Electronics Index. Also in 2019, the Compensation Committee employment agreements allowing the Company to terminate employment for cause if the Code of Business Conduct, and placing limits on certain outside activities without consent

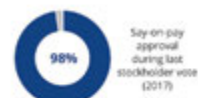
For 2020, executive base salaries and target annual incentives remain at 2018 levels; however, amount of equity incentives provided to Dr. Scherbakov and Mr. Mammen. Consistent with our philosophy, the Compensation Committee modified our executive equity-based award program to performance-based awards, which will now include an award based upon an operating margin. The Compensation Committee approved 2020 awards comprised of service-based RSUs (50%), and PSUs based on return (at target, 25%), and operating cash flow (at target, 25%).

38 NOTICE OF 2020 ANNUAL MEETING AND PROXY STATEMENT

Stockholder Feedback

At our 2017 annual meeting of stockholders, our stockholders overwhelmingly approved our executive compensation structure in a "say-on-pay" advisory vote, voting 98% in favor of our executive compensation structure. As a result of the 2017 vote, the Compensation Committee determined not to change its pay philosophy or practices. Also at our annual meeting in 2017, the advisory proposal to hold "say-on-pay" advisory votes every three years received the greatest amount of votes and, therefore, we elected to submit the advisory "say-on-pay" proposal to our stockholders on a triennial basis. Accordingly, Proposal 2 is the "say-on-pay" vote.

Proposal 2 Advisory Approval of Our Executive Compensation



Executive Compensation Best Practices

PRACTICES WE EMPLOY

- ✓ **Align our NEO Pay with Performance:** Strong links of compensation to Company performance and stockholder returns for annual and long term incentives. Annual bonus tied to revenue and net income and long term incentives include performance-based stock units which are earned based upon IPG's total stockholder return relative to a broad stock market index and stock options which have value only if the stock price increases over the grant date price.
- ✓ **Balance Annual and Long-Term Incentives:** Incentive programs provide an appropriate balance of annual and long-term incentives and include multiple measures of performance.
- ✓ **Use Long-Term Incentives to Link Executive Pay to Company Performance:** Approximately 74% of NEO (other than the CEO) pay consists of long-term incentives linked to increasing our stock price. CEO receives no equity.
- ✓ **Cap Incentive Award Payouts:** Annual incentive plan award payouts and certain long-term incentive awards are capped.
- ✓ **Maximize Stockholder Value While Mitigating Risk:** Service-based equity awards vest over four years. This incentivizes long-term growth and discourages short-term risk taking.
- ✓ **Independent Compensation Consultant:** The Compensation Committee retains a compensation consultant, who is independent and without conflicts of interest with the Company.
- ✓ **Robust Stock Ownership Requirements:** Officers and directors are subject to stock ownership guidelines to further align their interests with stockholder interests. Our NEOs substantially exceed the ownership guidelines.
- ✓ **Clawbacks on Executive Compensation:** We adopted a compensation recovery policy covering cash and equity.

PRACTICES WE AVOID

- **No Guaranteed Annual Bonuses:** Our annual incentive compensation plan is performance-based and does not include any minimum payout levels.
- **No Retirement Benefits:** We have no supplemental executive retirement plans (SERPs) or defined benefit pension plans.
- **No Tax Gross-Ups:** We do not provide tax gross reimbursements for change in control payouts or executive perquisites.
- **No Significant Perquisites:** We provide limited perquisites to our NEOs.
- **Hedging of Company Stock is Prohibited.**
- **No Severance For "Cause" Terminations.**
- **No Single-Triple Change in Control Provisions:** Equity awards for NEOs generally require a "double-trigger" of both a change-in-control and termination of employment for both cash and equity compensation acceleration.
- **No Stock Option Repricing without Stockholder Approval:** Our equity plans prohibit repricing underwater stock options.
- **Pledging of Company stock is limited.**

Edison International

COMPENSATION SUMMARY (PAGES 36 TO 37)

<https://www.edison.com/content/dam/eix/documents/investors/corporate-governance/2020-eix-sce-proxy-statement.pdf>

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis ("CD&A") describes the principles of our executive compensation program, how we applied those principles in compensating our named executive officers ("NEOs") for 2019, and how we use our compensation program to drive performance. We also discuss the roles and responsibilities of our Compensation Committee (the "Committee") in determining executive compensation. The CD&A is organized as follows:

- 1 Compensation Summary**
- 2 What We Pay and Why: Elements of Total Direct Compensation**
- 3 How We Make Compensation Decisions**
- 4 Post-Employment and Other Benefits**
- 5 Other Compensation Policies and Guidelines**

The CD&A contains information relevant to your decision regarding the advisory vote to approve our executive compensation (Item 3 on your Proxy Card). When voting on Item 3, EIX shareholders will vote on EIX executive compensation, while SCE shareholders will vote on SCE executive compensation.

1 COMPENSATION SUMMARY

Certain key information about our executive compensation program is highlighted in this Compensation Summary.

EXECUTIVE COMPENSATION PRACTICES

Our executive compensation program is designed with the objective of strongly linking pay with performance. The compensation practices for NEOs, including practices we believe drive performance principles, and practices we have not implemented because we do not believe other stakeholders' long-term interests.

EIX NEOs FOR 2019

EIX NEOs are identified below. EIX shareholders will vote on EIX executive compensation.

 PEDRO J. PICARRO EIX President and Chief Executive Officer ("CEO")	 MARIA RIGATTI EIX Executive Vice President ("EVP") and Chief Financial Officer ("CFO")	 KEVIN M. PAYNE SCE CEO, also SCE President effective June 3, 2019	 ADAM S. UMANSOFF EIX EVP and General Counsel	 J. ANDREW MURPHY EIX Senior Vice President ("SVP")
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SCE NEOs FOR 2019

SCE NEOs are identified below. SCE shareholders will vote on SCE executive compensation.

 KEVIN M. PAYNE SCE CEO, also SCE President effective June 3, 2019	 WILLIAM M. PETRIBECK, III SCE SVP and CFO	 PHILIP R. HERRINGTON SCE SVP	 RUSSELL C. SHARITZ SCE SVP and General Counsel	 STEVEN D. POWELL SCE EVP effective September 1, 2019; SCE SVP through September 1, 2019
 RONALD O. NICHOLS SCE President through June 6, 2019	 CAROLINE CHOI SCE SVP, also EIX SVP effective February 4, 2019			

ELEMENTS AND OBJECTIVES OF TOTAL DIRECT COMPENSATION

Element	Form	Key Objective	% of EIX CEO 2019 Target Total Direct Compensation*
BASE SALARY	Fixed Pay: Cash	Establish a pay foundation to attract and retain qualified executives	12.5%
ANNUAL INCENTIVE AWARDS	Variable Pay: Cash	Focus executives' attention on specific financial, strategic and operating objectives of the Company that we believe will increase long-term shareholder value and benefit customers	15.6%
LONG-TERM INCENTIVE AWARDS	Variable Pay: Equity	Directly align executive pay with long-term value provided to shareholders, and benefit customers by enhancing executives' focus on the Company's long-term goals	71.9%
		<ul style="list-style-type: none">50% stock options25% performance shares25% restricted stock units	
		<ul style="list-style-type: none">Link compensation to stock price increaseReward relative shareholder return compared to peers and earnings per share compared to pre-established targetsEncourage retention and ownership, with value tied to absolute shareholder return	

* In this CD&A, the term "target total direct compensation" means the sum of the NEO's salary, target annual incentive award, and grant date fair value of long-term incentive awards for the particular year.

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WHAT WE DON'T DO

- ✗ We do not have any employment contracts
- ✗ We do not provide excise tax gross-ups on change in control payments
- ✗ We do not have individually-negotiated change in control agreements
- ✗ We do not provide perquisites
- ✗ We do not provide personal use of any corporate aircraft
- ✗ We do not reprice or allow the cash buyout of stock options with exercise prices below the current market value of EIX Common Stock
- ✗ We do not permit pledging of Company securities by directors or executive officers
- ✗ We do not permit short sales, trading in derivatives or hedging of Company securities by directors or employees

Compensation Philosophy and Program Objectives

King & Spalding Commentary

A section about compensation philosophy or program objectives provides an opportunity to be more detailed than the CD&A executive summary. A pithy description of what guides the Company's compensation decisions and why can be very powerful.

FedEx

COMPENSATION OBJECTIVES AND DESIGN-RELATED FEATURES (PAGE 38)

https://s1.q4cdn.com/714383399/files/doc_financials/annual/2019/FedEx-Corporation-2019-Proxy-Statement.pdf

Compensation Objectives and Design-Related Features		
We design our executive compensation program to further FedEx's mission of producing superior financial returns for our shareholders by pursuing the following objectives:		
OBJECTIVE	HOW PURSUED	SPECIFICALLY
<ul style="list-style-type: none">Retain and attract highly qualified and effective executive officers.Motivate executive officers to contribute to our future success and to build long-term shareholder value and reward them accordingly.Further align executive officer and shareholder interests.	GENERALLY <ul style="list-style-type: none">Pay competitively.	<ul style="list-style-type: none">Use comparison survey data as a point of reference in evaluating target levels for total direct compensation, which includes both fixed and variable, at-risk components tied to stock price appreciation and short- and long-term financial performance.
	<ul style="list-style-type: none">Link a significant part of compensation to FedEx's financial and stock price performance, especially long-term performance.	<ul style="list-style-type: none">Weight executive compensation program in favor of incentive and equity-based compensation elements (rather than base salary), especially long-term incentive cash compensation and equity incentives in the form of stock options and restricted stock.
	<ul style="list-style-type: none">Encourage and facilitate long-term shareholder returns and significant ownership of FedEx stock by executives.	<ul style="list-style-type: none">Make annual equity-based grants; tie long-term cash compensation to growth in our EPS, which strongly correlates with long-term stock price appreciation; maintain a stock ownership goal for senior officers and encourage each officer to retain shares acquired upon stock option exercises until his or her goal is met.

Exelon

COMPENSATION PHILOSOPHY AND OBJECTIVES (PAGE 39)

<https://www.exeloncorp.com/newsroom/events/Event%20Documents/Exelon-Proxy-2020.pdf>

Compensation Philosophy and Objectives	
<p>The goal of our executive compensation program is to retain and reward leaders who create long-term value for our shareholders by delivering on objectives that support the Company's Value Proposition and strategic business objectives described above.</p> <p>The Compensation Committee strives to set challenging financial performance targets that drive and motivate executives to achieve long-term success, shareholder value, and to help ensure key talent is retained. The Committee selects performance metrics that are tied to the Company's financial strategies and are proven measures of long-term value creation. Financial targets are based on our internal business plans and external market factors. Our executive compensation program has been designed to align the incentives of our high-quality leaders with the interests of our shareholders using metrics and goals directly linked to the Company's strategy and performance.</p> <p>Each element of total direct compensation is based on market data, the executive's competencies and skills, scope of responsibilities, experience and performance, retention, succession planning and organizational structure of the businesses.</p>	Objectives Alignment with Shareholders Compensation is directly linked to performance and is aligned with shareholders by having approximately 82% of NEO pay at risk in both short- and long-term incentives.
	Market Competitive Our NEOs' pay levels are set by taking into consideration multiple factors including the size and complexity of Exelon's business, peer group market data, internal equity comparisons, experience, succession planning, performance and retention.
	Stock Ownership Guidelines Executives are required to meet and maintain significant stock ownership guidelines. Since 2016, our CEO has been required to own 6x of his base salary, while other NEOs are required to own 3x of their base salary. All NEOs own at least 200% of their required stock ownership guidelines. See page 53 for details.
	Manage for the Long-Term The Board oversees management in alignment with the long-term interests of the Company and its shareholders. Our compensation program supports the execution of Exelon's Value Proposition over multi-year periods to drive the success of our long-term strategy.
	Extensive Shareholder Engagement We engage directly with shareholders and take responsive actions to improve our compensation programs based on year-round feedback.
Balance The portion of NEO pay at risk rewards the appropriate balance of short- and long-term financial and strategic business results. The compensation program is structured to motivate measured, but sustainable and appropriate, risk-taking.	
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Compensation Program Objectives

The Compensation Committee designed the 2019 executive compensation program with the objectives and key features to meet those objectives as set out below:

Program Objectives

Alignment with Corporate Strategies

Ensure compensation program incentives are aligned with our corporate strategies and business objectives

Short-Term and Long-Term Performance Objectives

Tie a substantial portion of compensation to achieving both short-term and long-term performance objectives that enhance shareholder value

Long-Term Continued Employment

Provide an incentive for long-term continued employment with our company

Balanced Mix

Create an appropriate balance between current and long-term compensation and between cash- and equity-based incentive compensation

No Unnecessary Risk-Taking

Ensure that compensation arrangements do not encourage unnecessary risk-taking

Competitive

Provide competitive compensation packages in order to attract, retain and motivate top executive talent

How We Get There

We set performance metrics for our performance-based compensation program that align with our corporate operational goals and strategy. In 2019, the performance metrics included revenue, profitability, cash flow and/or shareholder return, on both a relative and absolute basis. For 2020, following shareholder engagement (see [page 18](#)), we revised our program to align with the refined strategy developed by management and the board (see [page 8](#)).

A substantial percentage of our NEOs' pay is performance-based. This is divided between (i) annual cash incentive ("ACI"), which measures performance over a one-year period and rewards achievement of short-term company financial and operational objectives, and (ii) performance stock units ("PSUs"), which measure performance over a multi-year period and reward more longer-term company financial and operational objectives and/or shareholder return (see [page 29](#)).

A substantial percentage of our NEOs' pay consists of long-term equity: (i) restricted stock units ("RSUs"), which vest quarterly over a three-year period, to reward continued service and long-term performance of our common stock, and (ii) PSUs that, for our current CEO, have a 4-year performance period with vesting thereafter, and, for our other NEOs, have a 2-year performance period with vesting at 30 months (1/3rd) and 36 months (2/3rd) from the start of the performance period (see [page 29](#)). For 2020, following shareholder engagement (see [page 18](#)), we revised the PSUs for all NEOs to have a 3-year performance period with vesting shortly thereafter (see [page 38](#)).

We provide current compensation in the form of cash, divided between base salary and ACI, and long-term compensation in the form of equity, divided between PSUs and RSUs. Both current and long-term compensation are mixed between stable (base salary and RSUs) and performance-based (ACI and PSUs) compensation (see [page 34](#)).

We create a balance between performance-based and non-performance-based compensation and set performance metric targets that we believe are aspirational but achievable (see [pages 29 to 31](#)). We also set stock ownership guidelines to help mitigate potential compensation risk and further align the interests of our NEOs with those of shareholders (see [page 47](#)).

To ensure our compensation remains competitive, the Compensation Committee engaged Pay Governance as its independent consultant in 2019 and prior years to review and benchmark the compensation we provide relative to our peer group and other market data (see [page 32](#)).



The Compensation Committee believes that the design of the compensation program, including having the appropriate mix of compensation elements and performance metrics and targets, has a significant impact on driving company performance.

Sanmina's Pay for Performance Compensation Philosophy

OBJECTIVE	HOW PURSUED
Increase long term stockholder value and align the interests of our executives and stockholders.	The vast majority of total executive compensation is equity-based so that executives are rewarded more when stockholder value is created. 100% of our long-term incentive awards to our named executive officers are in the form of equity.
Create a direct link between long term financial performance and individual rewards.	Our long-term awards include performance-based awards that reward executives for achieving financial goals that are important to the health of the business. Annual bonuses are also tied to achievement of critical financial goals, the achievement of which strengthen the foundation for long-term success. For fiscal 2020, goals for both short-term and long-term performance awards have been differentiated to focus executives on achievement of critical measures of both short-term and long-term performance.
Emphasize the competitiveness of total pay rather than any one particular element.	We generally target base salaries lower than our peers, with total compensation becoming competitive if we achieve our financial goals. In furtherance of this strategy, a majority of our executives' compensation is at risk, becoming payable only upon achievement of specific performance targets or having value that is dependent on stock price appreciation.

Our Executive Compensation Core Principles

Five core principles drive our executive compensation philosophy:

I Support, Communicate and Drive Achievement of our business strategies and goals	II Attract and Retain the highest-caliber executive officers by providing compensation opportunities comparable to those offered by other companies with which we compete for business and talent	III Motivate High Performance from executive officers in an incentive-driven culture by delivering greater rewards for superior performance and reduced awards for underperformance	IV Align Interests of our executive officers and our stockholders and foster an equity ownership environment	V Reward Achievement of short-term results as well as long-term stockholder value creation
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Management and the MP&D Committee believe these principles motivate our executive officers to take personal responsibility for the performance of the business and deliver long-term stockholder value, consistent with CVS Health's values of Innovation, Collaboration, Caring, Integrity and Accountability.

Our compensation programs:

- are tailored to our short- and long-term **business strategies and drive performance**,
- reflect the **rapidly changing health care landscape**,
- drive **sustainable performance** in an era where human, social, natural and intellectual capital are joining financial and operating capital as performance drivers, and
- operate within **strong governance** parameters.

Our Compensation Philosophy

Overview. The overall objective of our executive officer compensation program is to attract and retain a talented management team and provide them with the right incentives to execute our strategic objectives and to maximize shareholder value. The same principles that govern the compensation of all our salaried employees apply to the compensation of our executive officers:

<p>Tie compensation to strategy, performance and delivering shareholder value.</p> <p>The Company's programs provide incentive compensation opportunities that promote achievement of short- and long-term strategic and financial objectives. Annual incentive compensation targets are aligned with the Company's adjusted earnings per share goals communicated to shareholders so that executive officers only receive target payouts if we meet shareholders' expectations and if we exceed target payouts. Long-term incentives are delivered in stock, the majority of which is tied to Company TSR so that factors that impact the value of our shareholders' investment in the Company significantly impact our management team's compensation.</p>		
<p>Provide competitive compensation for competitive performance.</p> <p>The Company seeks to offer compensation opportunities that are sufficient to attract talented and experienced managers and to discourage them from seeking other employment opportunities.</p>	<p>Foster non-financial corporate goals.</p> <p>While financial results are the primary commitment the Company makes to shareholders, the compensation program balances financial results with other Company values such as safety, diversity and environmental stewardship. Certain components of the program provide flexibility to adjust compensation upwards or downwards for non-financial and strategic goals and to recoup compensation in cases of misconduct or restatement of financial results.</p>	<p>Support actions needed to respond to changing business environments.</p> <p>The Company has sought to provide some elements of compensation, such as severance benefits, which give the management team or the Board tools to facilitate decisions about succession planning, divestitures and restructurings or other significant corporate events that may impact the position or employment status of executive officers.</p>

American Tower

OUR COMPENSATION APPROACH IN BRIEF (PAGE 35)

<https://americantower.gcs-web.com/static-files/2c12bd88-078f-4217-8595-bfc569bc7c1c>

Our Compensation Approach in Brief

We strongly adhere to a pay for performance philosophy. We seek to reward our executive officers for their leadership roles in meeting key near-term goals and strategic objectives, while also positioning the Company to generate attractive long-term returns for our stockholders. We expect above-average performance from our executive officers and manage our business in a way that results in each executive having a substantially broader scope of responsibilities than is typically found in the market. In fact, we manage our business with a smaller senior management team than is typically found in companies of our size, industry and complexity. Our objective is to recruit and retain the caliber of executive officers necessary to deliver sustained and attractive total returns to our stockholders, while managing comparatively greater individual responsibilities.

We place great emphasis on equity awards in our overall compensation, and our annual performance incentive awards are performance-driven and based on achievement of Company goals and objectives established at the beginning of the year, as well as individual performance goals for the CEO. Equity awards focus on longer-term operating and stock performance objectives, stockholder value appreciation and retention.



Our Compensation Philosophy

Our compensation system is intended to:

1 Attract and Retain

High-quality people that are crucial to both the short-term and long-term success of the Company

1

2 Compensate for Performance

Linked to our strategic objectives through the use of incentive compensation programs

2

3 Create a Common Interest

Between our executive officers and shareholders through compensation structures that promote the sharing of the rewards and risks of strategic decision-making

3

In support of these goals, for 2019 our incentive compensation program included both long- and short-term compensation and was tied to increases in our adjusted earnings per share, Organic Revenue growth, Adjusted EBITDAC Margin, and predetermined personal objectives for each of our executive officers.

Compensation Components

Our compensation philosophy is reflected in the following short-term and long-term compensation components:

1

Base Salary

Rationale

- Provide competitive levels of compensation to our executive officers based on scope of responsibilities and duties
- Recruit and retain executive officers

How Amounts Are Determined

- Based on a wide range of factors, including business results, individual performance and responsibilities, and comparative market assessments

2

Annual Cash Incentives and Bonuses

Rationale

- Align executive officers' performance with annual goals and objectives
- Create a direct link between pay and current year financial and operational performance

How Amounts Are Determined

- Target payouts based upon comparative market assessments, recommendations by chief executive officer, and input from the Compensation Committee's independent compensation consultant, subject to the approval of Compensation Committee or, in the case of the chief executive officer, recommendations from the Compensation Committee's independent compensation consultant, subject to the approval of Compensation Committee based upon its annual chief executive officer performance review
- Actual payout based upon a combination of Company and/or segment performance and achievement of personal performance objectives
- Additional discretionary bonus available as determined by chief executive officer, subject to the approval of Compensation Committee, or, in the case of chief executive officer, as determined by Compensation Committee

3

Long-Term Equity Incentive Awards

Rationale

- Reward effective long-term capital management and decision-making
- Focus attention on future returns to shareholders
- Retain executive officers who have the potential to impact both our short-term and long-term profitability through a combination of time- and performance-based awards
- Recognize and reward specific achievements and/or the previous year's performance
- Generally granted annually during first quarter

How Amounts Are Determined

- Award amount determined based upon a blend of quantitative measures and consideration of personal performance, as well as comparative market assessments
- For awards with a performance-based vesting condition, number of awarded shares may be higher or lower than target, subject to specified threshold and maximum amounts, based upon the Company's performance during the performance period
- Actual value realized based upon the Company's stock price over measurement and vesting periods

OUR EXECUTIVE COMPENSATION PHILOSOPHY AND OBJECTIVES

The Compensation Committee has adopted the following compensation objectives and guiding principles to align the Company's incentive compensation program with the Company's overall executive compensation philosophy:

Our Executive Compensation Philosophy

The Compensation Committee believes the Company's executive compensation program should reward actions and behaviors that build a foundation for the long-term strength and performance of the Company, while also rewarding the achievement of short-term performance goals informed by the Company's strategy.



- Align executive goals and compensation with stockholder interests
- Attract, retain and motivate outstanding executive talent
- Pay-for-performance: Hold executives accountable and reward them for achieving financial, strategic and operating goals



- Pay-for-Performance: Pay is significantly performance-based and at-risk, with emphasis on variable pay to reward short- and long-term performance measured against pre-established objectives informed by the Company's strategy.
- Align Compensation with Stockholder Interests: Link incentive payouts with the overall performance of the Company, including achievement of financial and strategic objectives, as well as individual performance and contributions, to create long-term stockholder value.
- Stock Ownership Guidelines: Our program requires meaningful stock ownership by our executives to align them with long-term stockholder interests.
- Emphasis on Future Pay Opportunity vs. Current Pay: Our long-term incentive awards are delivered in the form of equity-based compensation with multi-year vesting provisions to encourage retention.
- Hire, Retain and Motivate Top Talent: Offer market-competitive compensation which clearly links payouts to actual performance, including rewarding appropriately for superior results, facilitating the hire and retention of high-caliber individuals with the skills, experience and demonstrated performance required for our Company.
- Principled Programs: Structure our compensation programs considering corporate governance best practices and in a manner that is understandable by our participants and stockholders.

The Travelers Companies

OBJECTIVES OF OUR EXECUTIVE COMPENSATION PROGRAM (PAGES 37 TO 38)

http://investor.travelers.com/interactive/newlookandfeel/4055530/TRV_2020_Proxy_Statement.pdf

Objectives of Our Executive Compensation Program

With our overarching pay-for-performance philosophy in mind, the Compensation Committee has approved the following five primary objectives of our executive compensation program.

Objective

Link compensation to the achievement of our short- and long-term financial and strategic objectives

The Compensation Committee believes that a properly structured compensation system should measure and reward performance on multiple bases. To ensure an appropriate degree of balance in the program, the compensation system is designed to measure short- and long-term financial and operating performance, the efficiency with which capital is employed in the business, the effective management of risk, the achievement of strategic initiatives and the individual performance of each executive.

The Compensation Committee further believes that the most senior executives, who are responsible for the development and execution of our strategic and financial plans, should have the largest portion of their compensation tied to performance-based incentives, including stock-based compensation, the ultimate value of which is dependent on the performance of our stock price over time and on our three-year core return on equity. Accordingly, the proportion of total compensation that is performance-based increases with successively higher levels of responsibility. In addition, in evaluating the Company's overall performance, the Compensation Committee takes into account that our business is subject to year-to-year volatility outside of management's control, including natural and man-made catastrophic events. The Compensation Committee believes that, because the impact of catastrophes in any given year can produce significant volatility, the effective management of catastrophes can only be evaluated over a longer period of time. As a result, although the Compensation Committee believes that the impact of catastrophes on the Company's financial results should be reflected in its executive compensation decisions, the Compensation Committee does not believe it is appropriate for compensation levels to be subject to as much volatility year-to-year as may be caused by actual catastrophes.

Provide competitive compensation opportunities to attract, retain and motivate high-performing executive talent

Our overall compensation levels are designed to attract and retain the best executives in light of the competition for executive talent. We recognize that to continue to produce industry-leading results over time, we need to continuously cultivate that talent. We do so with competitive compensation programs that are designed to attract, motivate and retain our best people, development programs that foster personal and professional growth and a focus on diversity and inclusion as a business imperative.

In addition, the Compensation Committee believes that, when we generally exceed our performance goals and the named executive officers individually perform at superior levels in achieving that performance, total compensation for these executive officers should be set at superior levels compared to the compensation levels for equivalent positions in our Compensation Comparison Group. When we do not generally exceed our performance goals or the named executive officers individually do not perform at superior levels, total compensation for these executive officers should be set at lower levels.

The Compensation Committee monitors the market for executive talent in awarding compensation in order to ensure that our compensation levels are competitive.

Objective

Align the interests of management and shareholders by paying a substantial portion of total compensation in stock-based incentives and ensuring that executives accumulate meaningful stock ownership stakes over their tenure

The Compensation Committee believes that the interests of executives and shareholders should be aligned. Accordingly, a significant portion of the total compensation for the named executive officers is in the form of stock-based compensation. The components of the annual stock-based compensation granted to the named executive officers in 2020 and 2019 were stock options and performance shares. Stock options provide value only if our stock appreciates and performance shares vest only if specified core return on equity thresholds are met. In addition, as discussed below, senior executives are expected to achieve specified stock ownership targets prior to selling any stock acquired upon the exercise of stock options or the vesting of performance shares or restricted stock units. Both the portion of total compensation attributable to stock-based programs and the expected level of executive stock ownership increase with successively higher levels of responsibility.

Maximize, to the extent equitable and practicable, the financial efficiency of the overall compensation program

As part of the process of approving the initial design of incentive plans, or any subsequent modifications made to such plans, and determining awards under the plans, the Compensation Committee evaluates the aggregate economic costs and dilutive impact to shareholders of such compensation, the expected tax and accounting treatment and the impact on our financial results. The Compensation Committee attempts to balance the various financial implications of each program to ensure that the system is as efficient as possible and that unnecessary costs are avoided.

Reflect established and evolving corporate governance standards

The Compensation Committee, with the assistance of our Human Resources Department and the Compensation Committee's independent compensation consultant, stays abreast of current and developing corporate governance standards and trends with respect to executive compensation and adjusts the various elements of our executive compensation program, from time to time, as it deems appropriate.

Colgate-Palmolive

COMPENSATION PHILOSOPHY (PAGE 30)

https://investor.colgatepalmolive.com/static-files/97f15c8b-41ca-4e7a-a722-8e513e5d4f45

Executive Compensation

Compensation Philosophy

Colgate believes that people are the most important driver of its business success and, accordingly, views compensation as an important tool to motivate leaders at all levels of the organization. Outlined below are the principles underlying Colgate's executive compensation programs and examples of specific program features used to implement those principles.

	Base salary	Annual incentives	Long-term incentives
ALIGN PAY AND PERFORMANCE			
Multiple performance measures are used to ensure a focus on overall Company performance.		●	●
Payouts vary based upon the degree to which performance measures are achieved.		●	●
Colgate does not guarantee minimum base salaries, bonuses or levels of equity or other incentives for its Named Officers, through employment agreements or otherwise.	●	●	●
DRIVE STRONG BUSINESS RESULTS			
Selecting performance measures, such as organic sales growth, net income growth, earnings per share and free cash flow productivity, that are key metrics for investors fosters profitable growth and increases shareholder value.		●	●
Using performance measures tied to Colgate's annual and long-term operating goals, the achievement of which the Named Officers have the ability to influence, motivates the Named Officers to achieve strong and sustained business results.		●	●
Using measures in the long-term incentive award program that emphasize the Company's performance relative to peers focuses the Named Officers on achieving peer-leading performance.			●
FOCUS ON LONG-TERM SHAREHOLDER RETURN			
Colgate's long-term incentive award program has a three-year performance period, driving a focus on long-term results.			●
A significant portion of the Named Officers' total compensation is paid in equity (approximately 50-65% in 2019), aligning the interests of the Named Officers with those of stockholders.			●
The Named Officers' payout through the long-term incentive award program varies based on Colgate's three-year total shareholder return compared to the Comparison Group, directly tying a portion of the Named Officers' compensation opportunity to relative shareholder return.			●
Colgate's use of stock options, which provide value only to the extent that the Company's stock price appreciates, provides an effective link to changes in shareholder value that aligns the interests of stockholders and executives.			●
Stock ownership guidelines require that executives maintain significant levels of stock ownership, further strengthening the focus on long-term shareholder return.			●
ATTRACT, MOTIVATE AND RETAIN HIGH-QUALITY TALENT			
Colgate regularly benchmarks its compensation programs and designs the programs to compensate executives at the median level, with above-median payouts for superior performance and below-median payouts for performance below expectations.		●	●
To promote equal pay and fairness, Colgate's policy is to compensate each individual at a level commensurate with his or her role, work location, individual performance and experience, irrespective of gender, race, ethnicity or any other category protected by law.	●	●	●
Individual performance influences salary increases and stock option awards, motivating the Named Officers to perform at the highest levels.	●		●
Colgate rewards executives for strong performance, including by increasing payouts under the long-term incentive award program when Colgate outperforms its peers and decreasing payouts when Colgate underperforms its peers.		●	●

The P&O Committee devotes substantial time and attention throughout each year to executive compensation matters to ensure that compensation is aligned with the Company's performance and the best interests of stockholders. The Company's compensation programs reflect its longstanding strategic initiatives and balance achievement of short-term results with long-term strategic objectives. As discussed in more detail below, the P&O Committee's well-balanced and disciplined approach includes regular reviews with its independent compensation consultant and careful benchmarking

Determination of Compensation

Philosophy and Decision-Making Process

We provide a balanced and straightforward total compensation package, which includes both fixed and variable, performance-based elements. The use of both short-term and long-term incentives ensures that the ultimate compensation delivered is dependent upon achievement of our annual business goals, as well as delivering long-term shareholder value. Our performance and evaluation process considers company, business segment, and individual performance, as well as performance relative to industry peers. Our target pay levels are designed to be competitive with market practice. Since a majority of our pay is variable and based on performance, our actual pay positioning will vary appropriately to reflect our performance.

While overall compensation policies generally apply to all executives, we recognize the need to differentiate compensation by individual, reflecting on his or her role, performance, experience, and expected contributions. Base salaries and incentive targets are the primary means for differentiating compensation opportunities to reflect executive role and scope of responsibility. For example, Mr. Steinour has a higher base salary and higher potential incentive award opportunities due to his responsibilities as CEO. He is also held to a higher stock ownership guideline, reflecting his increased stake in our performance.

Guiding Principles

Focus on long-term shareholder alignment	A significant portion of compensation is stock-based and long-term in focus
Balanced and holistic approach	Our program includes fixed and performance-based elements, short-term and long-term performance incentives, and considers corporate, business segment, individual, and relative performance
Align pay and performance	Total compensation is expected to vary each year and may evolve over the long-term to reflect our performance and key objectives
Maintain an aggregate moderate-to-low risk profile	We monitor our programs, controls, and governance practices for consistency with our aggregate moderate-to-low risk profile See "Risk Assessment of Incentive Plans"
Assure appropriate positioning in the market	Our target pay levels are designed to be competitive with market practice
Reflect internal equity	We differentiate compensation by individual, reflecting his or her role, experience, performance, and expected contributions

Guiding Principles for Executive Compensation

Our compensation philosophy is to attract, reward and retain talent at all levels who will contribute to our long-term success. With the goals of strong long-term financial performance and creating long-term stockholder value, our executive compensation program and compensation decisions are framed by the four guiding principles described below.

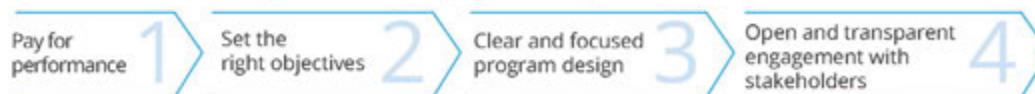
Guiding Principle	Impact on Compensation Design
Linked to Long-Term Performance	<ul style="list-style-type: none"> Performance stock units based on achievement of certain absolute ROE targets and, beginning with awards granted on February 18, 2020, our ROE relative to that of our financial performance peer group, constitute 65% of long-term incentive compensation.
Aligned with Stockholder Interests	<ul style="list-style-type: none"> Majority of pay delivered in long-term incentives (approximately 69% of the total direct compensation of Mr. O'Grady). Executives are subject to robust stock ownership guidelines.
Positioned Competitively in the Marketplace	<ul style="list-style-type: none"> Compensation levels are developed with reference to a peer group of comparable companies.
Discourages Inappropriate Risk-Taking	<ul style="list-style-type: none"> Short- and long-term incentives are subject to potential forfeiture or clawback in the event of misconduct resulting in a restatement of our financial statements and certain other types of misconduct, including inappropriate risk-taking resulting in "significant risk outcomes". Short-term cash incentive compensation awards and performance stock unit payouts are capped. Compensation and Benefits Committee can exercise negative discretion to reduce incentive compensation. Compensation program balances short-term and long-term performance objectives.

Newmont Corp.

PHILOSOPHY AND PRINCIPLES (PAGE 53)

<https://d18rnOp25nwr6d.cloudfront.net/CIK-0001164727/7dae0c89-182c-4726-a817-989bdb0156f7.pdf>

Newmont's Executive Compensation Philosophy and Principles for Success



Philosophy and Principles

Newmont's executive compensation programs are designed to effectively link the actions of our executives to business outcomes that drive value creation for stockholders. In designing these programs, we are guided by the following principles:

- ▶ **Maintaining a clear link between the achievement of business goals and compensation payout.** Officers are evaluated and paid based on performance that drives long-term success and relative stock price improvement
- ▶ **Selecting the right performance measures.** Programs and metrics are measurable and linked to both short- and long-term strategy execution and result in increased stockholder value.
- ▶ **Designing programs that are clear and maintain line of sight.** Each executive understands what is expected and required of them to contribute to the achievement of the business plan and how outcomes influence their compensation.
- ▶ **Sharing information and encouraging feedback.** Transparency and open disclosure are core components of Newmont's values and Newmont engages with stockholders and employees on a regular basis to provide insight into our goals, direction, and how resources are being used to drive value.

2020 Proxy Statement 53

Pay-for-Performance Alignment

King & Spalding Commentary

Demonstrating that pay and performance are aligned is the primary goal of your compensation disclosure. These disclosures need to be easily understood by the lay reader. Clarity, concision, and consistency (year-to-year) are key. In addition to refined prose, consider a few well-designed graphics that can simplify for your story.

Southern Company

CEO PAY FOR PERFORMANCE ALIGNMENT (PAGE 46)

https://s2.q4cdn.com/471677839/files/doc_financials/2019/annual/2020-Southern-Company-Proxy.pdf

Compensation Discussion and Analysis

CEO Pay for Performance Alignment

2019 CEO Incentive Payouts Demonstrate Pay for Performance Alignment

CEO TARGET PAY

89%
At Risk-Subject
to Performance
Goals



11%
Salary

15%
Annual Cash
Incentive Award

74%
Long-Term
Incentive Awards

We have strong alignment between CEO pay and performance based on three factors:

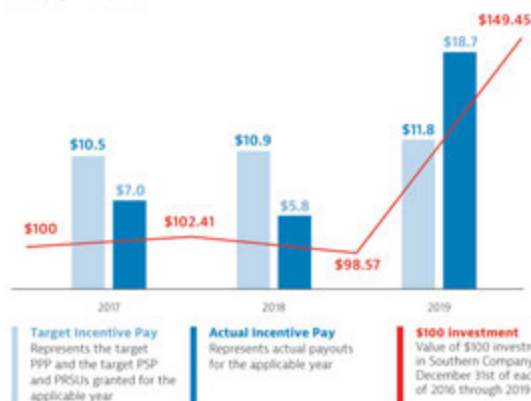
- We place the majority of the CEO's total compensation at risk
- We have metrics and targets in place to align pay with long-term value creation for stockholders
- We actively review earnings adjustments to ensure pay outcome is consistent with stockholder interests

CEO Pay Closely Aligned to Stock Price Performance and Total Shareholder Return

Southern Company created significant stockholder returns through stock price appreciation and dividends in 2019 with more than \$20 billion in value created and dividend payments to stockholders of over \$2.5 billion. The charts below show:

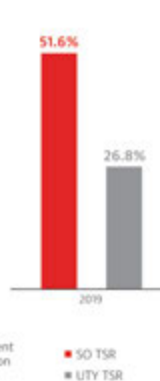
- Alignment between CEO incentive pay and the Company's stock price performance over the last three years
- Southern's 2019 TSR result of 51.6% is almost double the TSR result for the Philadelphia Utility Index (UTY)

THREE-YEAR CEO INCENTIVE PAY* ALIGNED WITH STOCK PRICE PERFORMANCE (CEO pay in millions)



* Excludes stock options exercises. See the options exercise table on page 70 for more details.

SOUTHERN TSR SIGNIFICANTLY OUTPERFORMED UTY IN 2019



Exelon

CEO PAY FOR PERFORMANCE ALIGNMENT (PAGE 39)

🔗 <https://www.exeloncorp.com/newsroom/events/Event%20Documents/Exelon-Proxy-2020.pdf>

CEO Pay for Performance Alignment

The Compensation Committee and Board approved the following compensation for the CEO.

2019 Base Salary

Base salary was increased 2.5% to \$1,293,000 from \$1,261,000 as a result of the merit review and achievement of 2018 results.

2019 AIP Award Payout and Target Adjustment

AIP target was increased to 145% of salary to align with market. Payout was **112.22%**.

2017-2019 Performance Share Payout

Three-year performance was above target at **107.70%**.

78% of the CEO's total target direct compensation for 2019 was in the form of long-term incentives, which is nearly 5% more than the average in our peer group.

- Chart depicts Exelon's annual stock price for the last three years and CEO total compensation as it appears in the Summary Compensation Table.
- Over the last three years, CEO pay as reflected in the Summary Compensation Table increased at an annualized rate of **1.3%** from \$14.6 million to \$15.4 million, while Exelon's stock price increased from \$39.41 to \$45.59 resulting in an annualized rate of increase for TSR of **12.4%**.



Exelon Stock Price and CEO Pay



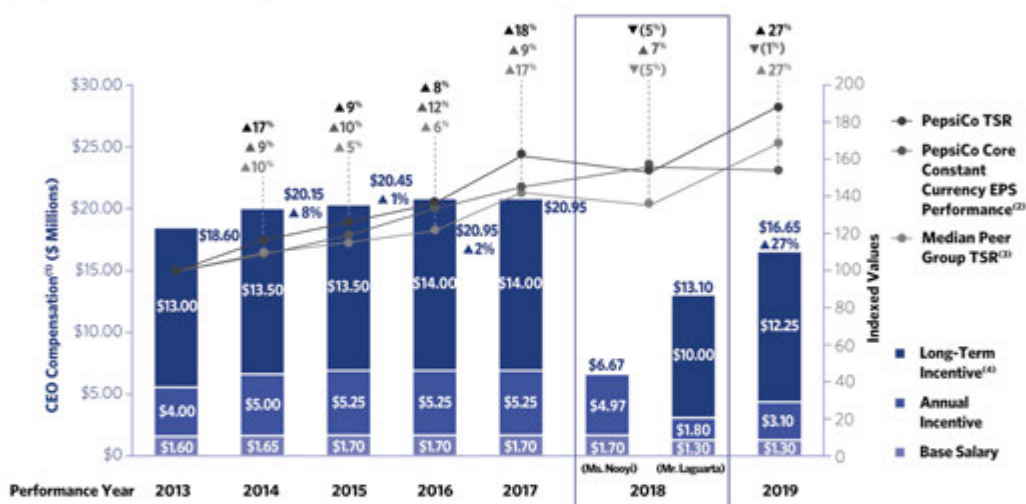
PepsiCo

CHAIRMAN AND CEO PAY-FOR-PERFORMANCE ALIGNMENT (PAGE 45)

https://www.pepsico.com/docs/album/annual-reports/pepsico-inc-2020-proxy-statement.pdf?sfvrsn=b0543005_2

Chairman and CEO Pay-for-Performance Alignment

The PepsiCo TSR shown in the table below illustrates the year-to-year return, including stock price appreciation and reinvested dividends, on PepsiCo's Common Stock on a calendar year basis, indexed to a 2013 base year. As a comparison, the median TSR generated by PepsiCo's peer group is depicted below, indexed to a 2013 base year. The table also illustrates PepsiCo's year-to-year Core Constant Currency EPS Performance⁽²⁾ on a fiscal year basis, adjusted for payout linked to our incentive plans and indexed to a 2013 base year.



⁽¹⁾ The above chart is different than the 2019 Summary Compensation Table on page 61 of this Proxy Statement. SEC rules require disclosure of stock-settled awards in the year granted and disclosure of cash-settled awards in the year in which the relevant performance criteria are satisfied, whether or not payment is actually made in that year. Consistent with these rules, Mr. Laguarta's 2019 compensation reflected in the 2019 Summary Compensation Table includes the Performance Stock Units ("PSUs") granted in 2019 and Long-Term Cash ("LTC") Awards granted in 2017, which is based on performance over the 2017-2019 performance period and paid out in March 2020.

⁽²⁾ Please refer to Appendix A to this Proxy Statement for a description and reconciliation of this non-GAAP compensation performance measure relative to the reported GAAP financial measure. In calculating this compensation performance measure, PepsiCo's 2018 Core Constant Currency EPS Performance was adjusted to exclude certain gains associated with the sale of assets and insurance claims and settlement recoveries and PepsiCo's 2016 Core Constant Currency EPS Performance was adjusted to exclude the impact of the Venezuela deconsolidation that occurred in 2015.

⁽³⁾ TSR based on stock price appreciation and reinvested dividends of PepsiCo's peer group in effect for each performance year.

⁽⁴⁾ LTI awards for the 2019 performance year consist of PSUs (66%) and LTC Awards (34%) at target under our current LTI program design (further described in the "2019 Long-Term Incentive Awards" section on page 52 of this Proxy Statement) and differ from the value reported in the 2019 Summary Compensation Table under the SEC rules. The table excludes the special PSU award that was granted to Mr. Laguarta in 2018.

TreeHouse Foods

PAYING FOR PERFORMANCE (PAGE 33)

https://s23.q4cdn.com/884251494/files/doc_financials/2019/ar/FINAL-Proxy-for-Hosting.pdf

Executive Compensation

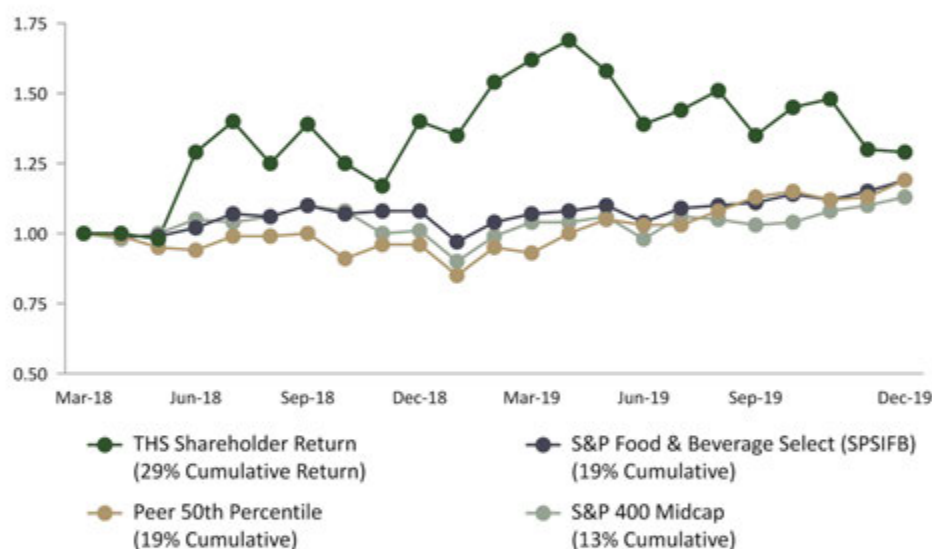
Paying For Performance

Our compensation approach is based on sound design principles that allow us to responsibly reward our executives in a labor climate where we need to attract and retain talent capable of executing our strategic business transformation. Our programs are designed to focus executives on achievement of our long-term business objectives and creation of shareholder value. This is achieved by maintaining a high level of "at-risk" incentive pay, the majority of which is linked to the achievement of long-term business results and delivered in equity - further aligning interests to those of our shareholders. We believe in allowing for a responsible level of discretion in our pay programs to ensure our executives are rewarded for executing actions critical to our long-term success as well as near and longer term financial performance.

CEO Pay is Aligned with Performance

Mr. Oakland joined the Company as CEO on March 26, 2018. Over his tenure, the Company has delivered cumulative total shareholder return of 29% and outperformed our peers, the S&P Food & Beverage Select Index, and the S&P 400. During this same period, Mr. Oakland's target total compensation increased 6% with 86% of that increase in "at risk" pay and 68% in long-term equity awards, (as detailed below) demonstrating the Committee's continued commitment to ensuring alignment between Mr. Oakland's compensation and the interests of our shareholders.

Shareholder Return on \$1 Invested at March 26, 2018 (as of December 31, 2019)



	2018	2019
Base Salary	\$1,000,000	\$1,060,000
Annual Incentive Target %	130%	130%
Annual Incentive Target \$	\$1,300,000	\$1,378,000
TARGET TOTAL CASH	\$2,300,000	\$2,438,000
Performance Share Units	\$2,500,000	\$2,650,000
Restricted Stock Units	\$2,500,000	\$2,650,000
TOTAL LTI	\$5,000,000	\$5,300,000
TARGET TOTAL COMPENSATION	\$7,300,000	\$7,738,000

TOTAL COMPENSATION % CHANGE	6%
% Change in Long Term (Equity) Incentives	68%
% Change in Annual Incentive	18%
% "AT RISK" COMPENSATION	86%

American Tower

CEO PAY FOR PERFORMANCE ALIGNMENT (PAGE 48)

<https://americantower.gcs-web.com/static-files/2c12bd88-078f-4217-8595-bfc569bc7c1c>

CEO Pay for Performance Alignment

The graphs below demonstrate the alignment of stockholder value creation and key operational metrics with CEO total annual compensation over the past five years.

CEO COMPENSATION* VS. VALUE OF \$100 INVESTMENT ON 1/1/2015



CEO COMPENSATION* VS. REVENUE



* As disclosed in Summary Compensation Table.

McDonalds

FIRST PRINCIPLE: PAY-FOR-PERFORMANCE (PAGE 41)

https://corporate.mcdonalds.com/content/dam/gwscorp/nfl/investor-relations-content/company-overview/2020_proxy.pdf

FIRST PRINCIPLE: PAY-FOR-PERFORMANCE

Payouts to our executives vary based on performance against challenging targets. Our incentive plans are based on diverse strategic financial metrics that are aligned with our key measures of long-term sustainable growth. In 2019, we shifted comparable guest count growth from a modifier to a core metric in our short-term incentive plan (STIP) to further align with the Velocity Growth Plan's focus on attracting incremental customers.

We remain committed to a pay-for-performance culture that closely links compensation with performance, as evidenced by the pie chart to the right. As a result of our leadership transition, this chart represents the compensation attributable to the role of the CEO for 2019 (specifically, pro-rated salary and STIP for Messrs. Kempczinski and Easterbrook based on time as CEO, and the long-term incentive awards granted to Mr. Easterbrook in 2019).

In addition, for the NEOs other than the CEO who were employed at year end, approximately 79% of the target total direct compensation opportunity for 2019 was allocated to variable compensation that is dependent on Company performance.

2019 Key Financial Metrics*

- Operating Income growth
- Comparable guest count growth
- Earnings per share (EPS) growth
- Return on Incremental Invested Capital (ROIIC)

* Operating income growth and comparable guest count growth were used in our STIP while the other metrics were used in the performance-based restricted stock units (RSUs) granted in 2019.



91%

→ 91% of CEO's target direct compensation opportunity is performance-based**

** This chart uses ASC 718 grant-date fair values for equity awards granted in 2019.

Tanger

PAY-FOR-PERFORMANCE ALIGNMENT (PAGES 19 TO 20)

http://eproxymaterials.com/interactive/skt2020proxy/template/download.php?fn=skt2020proxy_download.pdf

PAY-FOR-PERFORMANCE ALIGNMENT (CEO FOCUS)

The Compensation and Human Capital Committee believes that an executive compensation program that strongly links both the short-term and long-term performance of the Company and the compensation of our executive officers is a key driver of our long-term financial success. We have designed an effective pay-for-performance program whereby a significant portion of our executive officer's compensation is tied to performance-based cash and equity awards. Thus, in periods where we have superior performance in our operating results and TSR, our executive officers will realize higher levels of compensation. Likewise, in periods of poor performance, our executives will realize significantly lower levels of compensation.

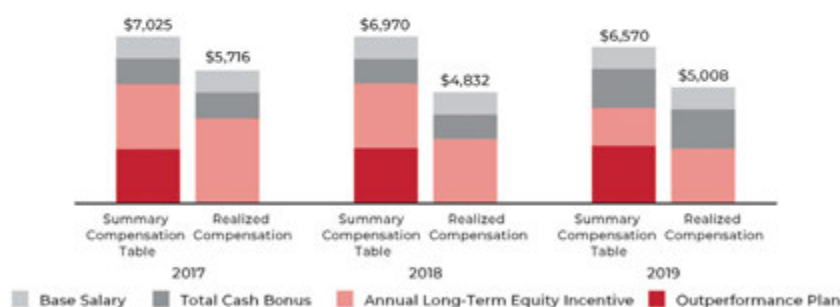
Due to total shareholder returns that have lagged our peers and in some cases have been negative on an absolute basis, our CEO's total realized compensation over the last several years has been significantly less than the reported grant date fair value of the awards for those respective years.

REALIZED PAY

Annual compensation data shown in the Summary Compensation Table on page 41 is presented in accordance with the Securities and Exchange Commission's ("SEC") requirements. This mandated format is based on accounting rules that reflect the grant date fair value of the award at the time of grant, which can differ significantly from the value that is ultimately earned from these awards. Therefore, the Committee believes that utilizing realized compensation in its evaluation of CEO pay is an appropriate additional consideration to accurately measure the alignment of CEO pay-for-performance.

Summary Compensation Table	Realized Compensation
Concept: Uses SEC methodology, which utilizes a mix of both compensation actually earned during the year (base salary and annual bonus) and some future contingent pay opportunities (equity awards)	Concept: Includes only pay actually earned during the year
Purpose: SEC-mandated compensation disclosure	Purpose: Used to show the strength of the correlation between Tanger's performance and the actual cash and equity payouts earned by our CEO during the year
How it is Calculated:	How it is Calculated:
Base salary paid during the year	Base salary paid during the year
+	+
Annual bonus earned for the applicable (current) year's performance	Annual bonus earned for the applicable (current) year's performance
+	+
Accounting grant date fair value of equity awards granted during the most recently completed fiscal year (i.e., prior year)	Value of Outperformance Plan equity awards earned during the most recently completed 3-year performance period and the year-end value of the Annual Long-Term Equity Incentives that vested during the current fiscal year
+	+
All other compensation	All other compensation

CEO Total Compensation – Summary Compensation Table vs. Realized Compensation (in \$ thousands)



Our CEO participates in multi-year award programs that are based exclusively on the Company's three-year absolute and relative TSR to directly align our CEO's compensation to that of shareholder returns. As of December 31, 2019, the OPP award granted in 2016 concluded with the performance periods ongoing for the OPP awards granted in 2017 through 2019.

The chart below illustrates what our CEO has realized from the completed program and what the outstanding programs would have paid out had they been concluded as of year-end 2019. Of the total potential OPP award value over the four programs, in aggregate, our CEO has earned, and is tracking to earn for those OPPs outstanding, approximately zero value.

Occidental Petroleum

REALIZABLE PAY ALIGNS WITH PERFORMANCE (PAGE 11)

<https://www.oxy.com/investors/Reports/Documents/2020-Proxy-Statement.pdf>

Realizable Pay Aligns with Performance

To demonstrate the alignment of executive pay with Occidental's performance and the experience of our shareholders, the table below shows the Target Direct Compensation awarded to Ms. Hollub in each of 2018, 2019 and 2020 as compared to the realizable value of that compensation as of March 24, 2020. Realizable pay includes (i) base salary, (ii) actual annual cash incentive award amounts paid for the performance year (excluding 2020, which is shown at target), and (iii) the projected value of long-term incentive awards granted each year and accrued dividends based on performance to date and our stock price as of March 24, 2020. The table illustrates that realizable pay is significantly impacted by Occidental's performance and ultimate pay opportunities are strongly aligned with the interests of our shareholders.

CEO Target Direct Compensation and Realizable Pay



Pay for Performance

The link between pay and performance and the outcomes of our executive compensation program for 2019 are discussed in detail in the Compensation Discussion and Analysis

Page 44

The Compensation and Governance Committee evaluates and sets rigorous performance goals at the time of grant for all performance-based compensation. In 2019, we benefited from strong execution of our consistent long-term strategy. Our resulting performance against our 2019 compensation metrics: operating return on average common equity, gross premiums written, relative combined ratio, growth in tangible book value per common share plus change in accumulated dividends, and total shareholder return, as well as our strategic goals, led to above target payouts for 2019 annual incentive bonuses and performance shares.

Operating Return on Average Common Equity⁽¹⁾
8.0%
179% of Peer Median

Combined Ratio
92.3%
2nd in peer group

Gross Premiums Written
\$4.8 billion
110% of budget

Strong
Strategic Plan Performance
Acquired and Integrated TMR
Growth in core underwriting business, fee income and investment income

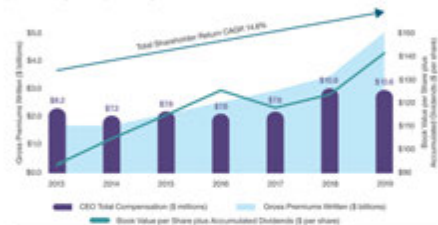
Total Shareholder Return
47.8%

Growth in Tangible Book Value per Common Share plus Change in Accumulated Dividends⁽²⁾
17.9%

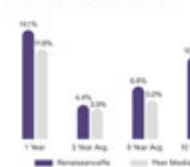
Annual Incentive Bonus
171%
of Target

⁽¹⁾ Operating return on average common equity and growth in tangible book value per common share plus change in accumulated dividends are non-GAAP financial measures. A reconciliation of non-GAAP to GAAP is included in "Appendix A."

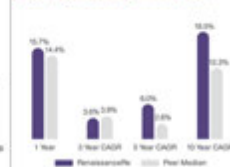
Our 2019 performance represented a continuation of our success over time. Since Mr. O'Donnell was named our Chief Executive Officer in 2013, we have performed strongly on key financial metrics. He has led the Company to become a diversified reinsurer with an innovative and flexible operating platform. From 2013 to 2019, our gross premiums written grew at a compound annual rate of 20.1% and our total shareholder return grew at a compound annual rate of 14.6%, while our Chief Executive Officer's total compensation grew at a compound annual rate of only 3%. The graphs below illustrate the alignment of Mr. O'Donnell's pay with our performance, and our strong performance against our peers during Mr. O'Donnell's tenure.



Return on Average Common Equity⁽¹⁾



Growth in Book Value Per Common Share⁽²⁾



Sources: S&P Research Insight for 2017-2019 growth in book value per common share peer company data and S&P Capital IQ for 2010-2019 growth in book value per common share peer company data and all return on average common equity data.

⁽¹⁾ Includes our current compensation peer group, except that First Point Renaissance LM is excluded from 10-year calculations due to lack of data prior to 2010.

⁽²⁾ "CAGR" means compound annual growth rate.

14 RenaissanceRe

Lockheed Martin

2019 PAY AND PERFORMANCE (PAGE 8)

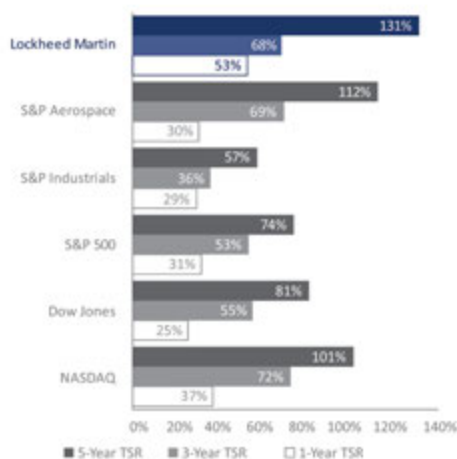
<https://www.lockheedmartin.com/content/dam/lockheed-martin/eo/documents/annual-reports/2020-proxy-statement.pdf>

2019 Pay and Performance

A substantial portion of compensation paid to our named executive officers (NEOs) is performance-based. We use the 50th percentile of our comparator group to set target compensation but allow for payments to exceed or fall below the target level based upon actual performance. This outcome is consistent with our pay-for-performance philosophy to set pay and targets at market levels, but pay incentive compensation to reflect actual performance.

Based on our strong short- and long-term financial and operational performance, as manifested in record sales, backlog, segment operating profit, and earnings per share for the year, our 2019 annual and 2017-2019 long-term incentive plans paid out above the targets.

1-, 3- and 5-Year Total Stockholder Returns



2019 Annual Incentive

Component Weightings and Achievements



2017-2019 Long-Term Incentive

Component Weightings and Achievements



* See Non-GAAP terms in Appendix B for an explanation of "Segment Operating Profit," "Return on Invested Capital (ROIC)," and "Performance Cash" and our forward-looking statements concerning future performance or goals for future performance.

La-Z-Boy Inc.

CEO PAY-FOR-PERFORMANCE ALIGNMENT (PAGE 33)

<http://lazboy.gcs-web.com/static-files/881c0311-538d-4aba-be75-feb2150b3aaf>

CEO Pay-for Performance Alignment

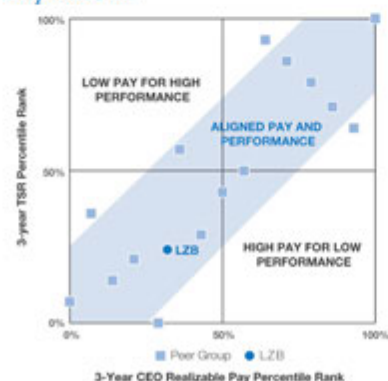
The chart below compares the target versus realizable TDC for our CEO, Mr. Darrow, measured as of the end of FY 2020. Over the past three fiscal years, Mr. Darrow's realizable TDC was 65% of his target TDC, which we believe reflects both the rigor of the performance goals set by the Compensation Committee and the company's total shareholder return ("TSR") performance over the same time period.

Target vs Realizable CEO Compensation

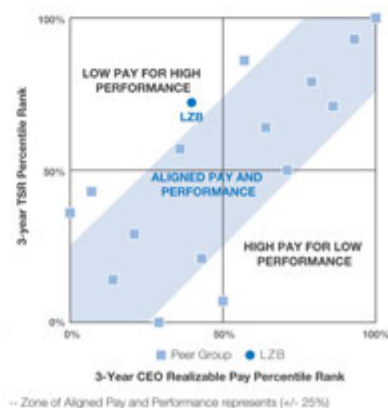


The charts below compare the realizable TDC for Mr. Darrow relative to our peer group companies, with realizable pay for the past three fiscal years valued as of two different dates for the peer group companies. Over the past three years, Mr. Darrow's relative realizable pay was aligned with the company's rTSR performance when measured using each peer company's respective fiscal year-end (as shown in the chart below on the left), and was conservative when all peer companies were measured using our fiscal year-end date of April 25, 2020 (as shown in the chart below on the right).

Measurement Date is Each Company's Respective FYE



Measurement Date is LTB's FYE (4/25/2020)



Service Corporation International

PAY FOR PERFORMANCE ALIGNMENT (PAGE 14)

<https://www.sci-corp.com/dfsmedia/042808e1630c49a48950d5077d6556eb/36185-source>

Pay for Performance Alignment

A significant portion of the compensation of our Named Executive Officers is directly linked to the Company's performance, as demonstrated in the historical payouts related to our annual and long-term incentive plans. Below is a graph aligning CEO pay and performance, using the five year total shareholder return.



⁽¹⁾ A change in the denomination of the performance unit plan created a temporary distortion in the disclosure of years 2018 and 2019 total compensation by "doubling up" previous performance plan grants, which were disclosed when paid, with the initial inclusion of 2018 performance plan grant value. For more information, please see page 48.

Healthpeak Properties

PAYING FOR PERFORMANCE (PAGE 40)

https://filecache.investorroom.com/mr5ir_healthpeakproperties/424/Healthpeak%20Properties_Proxy_2020.pdf

Paying for Performance

Our executive compensation program is designed to reward successful annual performance while encouraging long-term value creation for our stockholders. NEO short- and long-term incentive compensation is subject to rigorous, objective, at-risk performance hurdles across multiple metrics and performance periods, which the Compensation Committee intends to incentivize management to drive Company performance and encourage prudent risk management consistent with the Company's financial and strategic goals.

Our 2019 executive compensation program reflects strong alignment between pay and performance. As described under "Proxy Highlights—Company Highlights," we completed our repositioning strategy in 2019, delivering strong results and value creation for our stockholders. We entered into transactions to further reduce our tenant concentration, made key acquisitions in desirable markets, and paid down a significant amount of long-term debt to help strengthen our balance sheet. Our leadership team provided stability to help ensure our long-term growth and success. Accordingly, the Compensation Committee took actions in 2019 to further align the compensation of our leadership team with the compensation of peer companies, focusing on healthcare and S&P 500 REITs, the pool from which we recruit top talent. See below under "Compensation Policies and Practices—Compensation Peer Group".

Our strong 2019 financial results resulted in above-Target level payout of cash incentive awards under our 2019 short-term incentive plan ("2019 STIP"). We exceeded our public guidance based on solid company performance and ratings upgrades. In addition, our 3-year TSR performed strongly compared to our peers, which resulted in an above-Target payout of TSR-based LTIP awards granted in 2017, marking the first time our TSR-based LTIP awards have provided a payout for our executives. This underscores our commitment to pay for performance.

COMPANY 3-YEAR TSR PERFORMANCE REFLECTS 16% INCREASED STOCK VALUE 📈

1/1/2017 to 12/31/2019



Edison International

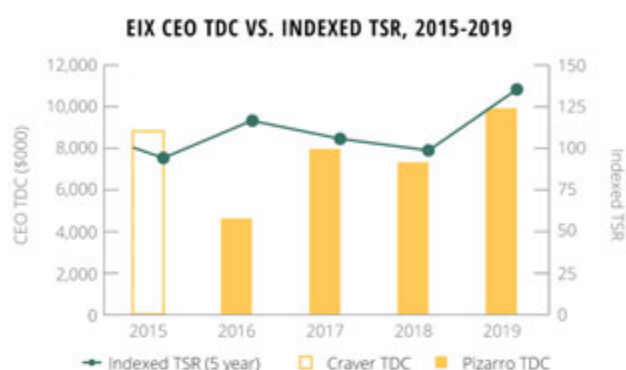
ALIGNMENT OF EIX CEO PAY WITH PERFORMANCE (PAGE 39)

<https://www.edison.com/content/dam/eix/documents/investors/corporate-governance/2020-eix-sce-proxy-statement.pdf>

ALIGNMENT OF EIX CEO PAY WITH PERFORMANCE

The Company utilizes annual and long-term incentive awards to align executive pay with performance. The awards provide significant upside and downside potential and help focus executives' attention on our financial, strategic and operating objectives, and shareholder returns.

The following chart shows the strong alignment over the past five years between the EIX CEO's total direct compensation (presented on the same basis as in the EIX CEO vs. Peer Group Median TDC chart above) and our indexed total shareholder return ("TSR"),⁽²⁾ which represents the value of an initial investment of \$100 in EIX common stock at the beginning of the five-year period, and assumes that dividends are reinvested on the ex-dividend date.



As the chart above shows, EIX's TSR was approximately 35% for the five-year period from 2015 to 2019.

TSR increased significantly from 2015 to 2016 and decreased in 2017 and 2018. As discussed above in "CEO Pay Comparison: EIX vs. Peer Group," Mr. Pizarro's 2016 TDC was relatively low because it was comprised of his compensation as a Company President from January 1 through September 29, 2016 and his initial compensation as EIX CEO from September 30 through December 31, 2016. His 2017 TDC was higher than his 2016 TDC, but still below the peer group median for chief executive officers. His TDC then decreased in 2018 because, as discussed above, he did not receive an annual incentive award for 2018. The largest increase in TSR occurred in 2019. That is also the year the EIX CEO's TDC was at its peak, partly due to an above-target annual incentive award payout.

The discussion above focuses on annual incentive awards because they are the only portion of total direct compensation, as reported in the Summary Compensation Table, that reflects the realized value of the CEO's variable compensation. For long-term incentive awards, the Summary Compensation Table reports only the grant date fair value of the awards granted during the applicable year. The difference between the grant date fair value and the actual value realized at payout can be significant and is due to Company performance, including changes in stock price.

The impact of Company performance on realized value is most clear in performance share payouts. The following chart shows, for the three most-recently completed performance periods, the difference between the grant date fair value of performance shares granted to the EIX CEO (as reported in the Summary Compensation Table) and the actual value realized at payout (determined by multiplying (i) the number of shares paid pursuant to the award by (ii) the closing price of EIX Common Stock on the date the Committee certified performance for the applicable performance period).

⁽²⁾ In this Proxy Statement, for all purposes other than performance share payouts, TSR is calculated using the difference between (i) the closing stock price for the relevant stock on the last NYSE trading day preceding the first day of the relevant period and (ii) the closing stock price for the relevant stock on the last trading day of the relevant period, and assumes all dividends during the period are reinvested on the ex-dividend date. A different methodology is used to determine performance share payouts: TSR is calculated using the difference between (i) the average closing stock price for the stock for the 20 trading days ending with the last NYSE trading day preceding the first day of the performance period and (ii) the average closing stock price for the stock for the 20 trading days ending with the last trading day of the performance period, and assumes all dividends are reinvested on the ex-dividend date (see "Long-Term Incentive Awards" below). Under both methodologies, EIX's TSR for the 2017-2019 performance period was last among the companies comprising the Philadelphia Utility Index on December 31, 2019. As a result, the TSR performance shares granted by EIX for that performance period did not pay out and were forfeited in their entirety.

Strategic Objectives




King & Spalding Commentary

Take advantage of the opportunity to explain your strategic objectives and performance within the CD&A. The presence of a clear description of strategic imperatives and successes gives readers confidence that the Committee is focused on the right issues. Furthermore, given that the CD&A is the best-read section of the proxy statement, this section gives you the best chance to educate readers.

Coca-Cola

STRATEGIC PRIORITIES AND 2019 PROGRESS (PAGE 49)

https://investors.coca-colacompany.com/filings-reports/proxy-statements/content/0001206774-20-000704/ko_courtesy-pdf.pdf

Strategic Priorities	2019 Progress
Disciplined Portfolio Growth 	<ul style="list-style-type: none"> Continued to gain value share in total nonalcoholic ready-to-drink beverages on a global basis by gaining value share in 85% of our key markets. Trademark Coca-Cola grew retail value 6% for the second consecutive year, supported by contributions from innovations such as Coca-Cola with Coffee, which launched in 35 additional markets in 2019. Introduced Coca-Cola Energy in more than 45 markets. Completed the acquisition of Costa Limited ("Costa"), a coffee company with retail stores in more than 30 countries; acquired full ownership of C.H.I. Limited ("CHI"), an innovative, fast-growing leader in expanding beverage categories, including juices, value-added dairy and iced tea in West Africa. Continued to lift, shift and scale brands around the world with strong global growth in smartwater, which launched in eight additional markets in 2019, and scaled the innocent brand beyond its flagship market of Europe, with a launch in Japan during 2019.
Aligned and Engaged System 	<ul style="list-style-type: none"> The Coca-Cola system achieved its largest global value share gains in almost a decade. Executed revenue growth management strategies (analytical processes to deliver the right brand and package at the right price in each channel and market to drive revenue growth) in 15 additional markets in 2019 as the system continued to focus on value over volume. The Coca-Cola North America system has invested nearly \$750 million over the past three years to support its innovation and revenue growth management agenda, including expanding availability of popular mini-cans, which again grew double digits in 2019.
Winning with our Stakeholders 	<ul style="list-style-type: none"> Bottles made from 100% recycled PET were available in 12 markets in 2019; Coca-Cola Sweden announced it would be the first market in the world to transition to 100% recycled PET for all plastic bottles made in-country. Announced a new science-based carbon emissions reduction target: By 2030, the Company aims to reduce its total carbon emissions across its full value chain 25% below where they were in 2015, aligned with the goals of the Paris Agreement. Used nearly 30% recycled plastic across total portfolio of PET bottles in Western Europe. Invested \$19 million in a new bottle-to-bottle recycling facility in the Philippines. In the United States, teamed with partners and major competitors to launch the "Every Bottle Back" program, which includes a new, \$100 million industry fund that will be used to improve sorting, processing and collection in areas with the biggest infrastructure gaps to help increase the amount of recycled plastic available to be remade into beverage bottles.

About GE



Our Strategy

1 Improving our financial position

2019 PROGRESS

- ✓ Reduced GE Industrial leverage: \$1 billion net debt* reduction, ending 2019 with \$1.2 billion net debt* vs \$2.2 billion net debt* at the end of 2018.
- ✓ Reduced GE Capital leverage: \$1 billion debt reduction, ending 2019 with \$1.5 billion net debt* vs \$2.5 billion net debt* at the end of 2018.
- ✓ Agreed to sell BioPharma, part of GE Healthcare, to Danaher for ~\$2.1 billion.
- ✓ Completed spin-off and subsequent merger of GE Transportation with Wharfedale and sold stake for ~\$4 billion of total proceeds.
- ✓ Executed U.S. market's largest follow-on offering in 2019 to reduce Baker Hughes ownership and collected ~\$1 billion of net proceeds.
- ✓ Completed ~\$1 billion debt tender.
- ✓ Announced multiple changes related to U.S. pension benefits that are expected to reduce industrial net debt* by \$4-6 billion.
- ✓ Completed majority of sale of GEACAT IP, Airframe aviation lending platform, and \$1.6 billion in receivables to Apollo and Aethon.
- ✓ Completed \$27 billion total asset reduction in GE Capital for 2018 and 2019, exceeding \$25 billion target.

* Net debt calculated as "net debt" as defined in the proxy statement. For information on how we calculate the performance metrics, see "Explanation of Non-GAAP Financial Measures and Performance Metrics" on page 10.

2 Strengthening our businesses

By driving sustainable operational and cultural change

LEAN PRINCIPLES

Implementing lean management tools with a relentless focus on continuous value for get to the root cause of problems, continuously eliminate waste, and relentlessly prioritize work. Conducting Lean Action Workshops throughout GE, in manufacturing settings and beyond, to make improvements in safety, quality, delivery, and cost.

MANAGEMENT TEAM

Ensuring we have the right leadership in place, with two-thirds of CEO's direct reports being GE or in their role since Larry Culp began as CEO in 2018. New CEO, Carolina Dubach Neugebauer, began in March 2020, and new head of Human Resources, Roni Cox, began in February 2020. Separated Power into Gas Power and Power Portfolio businesses, with separate leadership, to improve visibility and accountability.

CULTURE

Defining our future by our culture and how we run the businesses.

CANDOR Encouraging employees to be candid and to provide honest opinions on what they observe and think, not just to tell their stakeholders what they think they want to hear.

TRANSPARENCY Putting both the good and the bad on the table and in equal measure, particularly when assessing our strengths and weaknesses, so we can better prioritize our work and focus to reach the right path forward for our stakeholders.

HUMILITY Acknowledging what we do not know and where we have room for improvement, and responding appropriately through our actions.

2019 Progress



MISSION Powering lives and making electricity more affordable, reliable, accessible, and sustainable

UNITS Gas Power, Power Portfolio
INSTALLED BASE ~7,700 gas turbines
CEO Gas Power: Scott Strick; Power Portfolio: Russell Stokes
EMPLOYEES ~38,000

PROGRESS

- Separated Gas Power from Power Portfolio, which includes Steam, Power Conversion, and GE Hitachi Nuclear, to improve visibility and accountability.
- Booked \$1.6 billion in gas turbine orders in 2019.
- Improved commercial discipline and cost structure in both Gas Power and Power Portfolio.



MISSION Making renewable power sources more affordable, accessible, and reliable for the benefit of people everywhere

UNITS Onshore Wind, Grid Solutions Equipment and Services, Hydro
INSTALLED BASE ~45,000 onshore wind turbines
CEO: Arlene Peterson
EMPLOYEES ~43,000

PROGRESS

- Brought all of GE's renewable and grid assets into the business, creating a diversified offering that can both produce renewable energy and reliably and safely integrate it into electrical grids.
- Activated record cash volume for onshore wind turbines.
- Secured nearly \$1 billion of commitments for new onshore wind turbines, the Indaver™ X.



MISSION Providing customers with engines, components, analytics and systems for commercial, military and business and general aviation aircraft and a global service network to support these offerings

UNITS Commercial, Military, Systems and Other
INSTALLED BASE ~57,800 commercial aircraft engines and ~21,800 military aircraft engines
CEO: David Joyce
EMPLOYEES ~52,000

PROGRESS

- Closed Aviation's 100th year of operation with over \$270 billion in backlog and an installed base of more than 64,000 commercial and military engines.
- Utilized Allegiant to support our customers following the grounding of the Boeing 737 MAX, never wavering in commitment to safety while navigating near-term industry disruption. Delivered 1,730 LEAP engines to Airbus in Boeing platforms.
- Aviation's TRAC selected for the U.S. Army's Integrated Avionics Engine Program to power its next generation Apache & Black Hawk helicopters.



MISSION Operating at the center of an ecosystem working toward precision health - digitizing healthcare, helping drive productivity and improving outcomes across the health system

UNITS Healthcare Systems, Life Sciences
INSTALLED BASE with healthcare installations
CEO: Steven Murphy
EMPLOYEES ~64,000

PROGRESS

- Grew backlog to \$18.5 billion and segment profit margins to 19.5%.
- Launched seven new "mission critical" Command Centers with customers, which use predictive analytics and Artificial Intelligence (AI) to help hospitals coordinate patient care more efficiently.
- Introduced on device AI on equipment like our Revolution™ MRI and CT, where AI helps position the patient more precisely to improve efficiency, accuracy and patient comfort.



MISSION Designing and delivering innovative financial solutions for GE industrial customers in markets around the world

UNITS GE Capital Aviation Services (GEACAT), Energy Financial Services (EFS), Industrial Finance (IF) and Working Capital Solutions (WCS), Insurance
CEO: Alec Burger
EMPLOYEES ~2,000

PROGRESS

- Enabled more than \$1 billion in industrial orders through GE's financing capabilities, including at GEACAT and EFS.

* Including GE and its major venture partners

CONTINUED STRONG EXECUTION OF OUR VALUE PROPOSITION IN 2019

In late 2016, ConocoPhillips launched a unique value proposition aimed at **delivering superior returns to stockholders through price cycles** by maintaining disciplined capital allocation and responsible execution. The value proposition was based on a view that our business, while opportunity-rich, is also mature, capital-intensive, and cyclical. To succeed, we believed that it was necessary to focus on returns, maintain a strong balance sheet, grow cash from operations, and generate peer-leading distributions to stockholders. Our value proposition is underpinned by these principles and as a result, management set forth clear strategic priorities specifying how cash flows from the business were to be allocated.

Our strategic priorities in 2019, reflect a recommitment to those we first laid out three years ago:

- | | | | | |
|--|-------------------------------------|---|---|--|
| 1
Invest enough capital to sustain production and pay existing dividend; | 2
Grow dividend annually; | 3
Maintain 'A' credit rating; | 4
Return > 30 percent of cash from operations to stockholders annually; and | 5
Disciplined investment to expand cash from operations. |
|--|-------------------------------------|---|---|--|

We have aligned our strategy with the reality that our business is mature, capital-intensive and cyclical.

- > **Because the business is mature, we stay disciplined and allocate capital to deliver strong free cash flow and returns on, and of, capital.** In 2019, our combined share repurchases as well as dividend payments represented a return of 43% of CFO² to stockholders, all of which was funded from free cash flow.
- > **We have a world-class, diverse, low cost of supply portfolio, and optimize our investments to lower our capital intensity.** Our portfolio is diversified both geologically and geographically. Since launching our value proposition in late 2016, we have grown our resource base with a cost of supply below \$40 per barrel West Texas Intermediate.
- > **We address the cyclical nature of our business by maintaining a low cash breakeven price and maintaining financial strength.** Our capital program can be funded at what we believe is a peer-leading cash flow breakeven price and we maintain a balance sheet with a leverage ratio of net debt to CFO² of less than one turn. We strive to be resilient to lower prices, while retaining full upside to higher prices.

Building on successful years in 2017 and 2018, ConocoPhillips achieved several important milestones in 2019, as shown below:

2019 Highlights – Continued Delivering on Our Value Proposition

Financials	Strategy	Operations	Portfolio
<ul style="list-style-type: none"> > \$7.2B earnings, \$6.40 EPS; \$4.0B adjusted earnings¹, \$3.59 adjusted EPS¹ > \$11.1B cash provided by operating activities, \$11.7B CFO²; \$5B free cash flow¹ > Ending cash³ of \$8.4B > Reduced asset retirement obligations ("ARO") by \$2.3B primarily resulting from dispositions⁴ > Achieved 11% ROCE¹ 	<ul style="list-style-type: none"> > Returned ~43% of CFO² to stockholders > Paid \$1.5B in dividends; increased quarterly dividend by 38% > Repurchased \$3.5B of shares; increased authorization by \$10B to \$25B in early 2020 > Continued ESG leadership 	<ul style="list-style-type: none"> > Delivered underlying production growth of 5%⁵ > Grew Lower 48 Big 3 production by 22% > Started GMT-2 construction; sanctioned Tor II and Malikai Phase 2 > Progressed exploration/appraisal in Alaska and Montney > Achieved a new company record in safety performance with 0.14 total recordable rate ("TRR") 	<ul style="list-style-type: none"> > Generated \$3B of disposition proceeds; \$2B of dispositions pending⁶ > Completed acquisitions in Lower 48, Alaska and Argentina > Awarded new Indonesia production sharing contract > 100% total reserve replacement; 117% organic replacement⁷

¹ Adjusted earnings, adjusted EPS, free cash flow and return on capital employed ("ROCE") are non-GAAP measures. Further information related to these measures as well as reconciliations to the nearest GAAP measure are included on Appendix A.

² 2019 cash provided by operating activities is \$11.1B. Excluding operating working capital change of (\$0.6B), cash from operations is \$11.7B. Cash from operations ("CFO") is a non-GAAP measure and is further defined on Appendix A.

Executive Summary

2019 Business Strategy & Performance Highlights

Building on our success in the second half of fiscal 2018, Hologic had a very good year in fiscal 2019. Each of our divisions and geographies are stronger today than they were a year ago, other than our Medical Aesthetics business, which we recently divested. We accelerated growth in the United States, built a sustainable growth engine internationally, launched many innovative new products, and expanded through acquisitions. We exceeded our financial goals overall, as revenues grew by more than 4.6% or 5.7% in constant currency. While GAAP earnings per share decreased by 90%, adjusted earnings per share increased by 9%^(*). We remain committed to fueling growth through tuck-in acquisitions and continuing to enhance the product pipeline in each of our businesses, and we believe we are well-positioned for continued success in 2020.

Breast Health

Growth was solid in our largest division, driven by strong commercial execution, market share gains for our clinically differentiated Genius 3D MAMMOGRAPHY systems, the impact of the acquired Faxitron and Focal businesses, and important new products. Our core 3D MAMMOGRAPHY business remains rock solid, and we are building on it with an increasingly diversified product portfolio that spans the continuum of breast health care. Based on the productivity of our internal research and development (R&D), we leveraged our installed base with new add-on products such as Intelligent 2D, Clarity HD and SmartCurve, which contributed nicely to growth. We also announced the acquisition of SuperSonic Imagine, a French innovator in cart-based ultrasound.

Surgical

A revamped and more competitive sales force helped quarterly revenue growth increase sequentially in each quarter of the year. Innovative new products like the Fluent fluid management system and our Omni hysteroscope helped bolster growth. Our MyoSure system for hysteroscopic tissue removal and our NovaSure product for endometrial ablation continue to lead their respective categories and improve women's lives worldwide.

International

We continued to build a solid infrastructure for sustainable growth with across our divisions internationally. Total international revenue of \$831. Diagnostics and Breast Health businesses provided most of the revenue posted the fastest growth rate. Our businesses remain very under-penetrated still ahead for future growth and profit improvement.

Diagnostics

We generated solid growth by placing more of our fully automated Panther and Panther Fusion molecular diagnostic systems, and launching more Aptima women's health, virology and respiratory assays to drive revenue and system utilization. Our internal R&D efforts have provided us one of the broadest assay menus in the mid- to high-volume molecular space, which enables customers to consolidate their testing on our Panther platform. We solidified relationships with our largest customers and are partnering with them to drive better patient care and greater growth in key testing categories. In addition, our ThinPrep cervical cancer test remains the leader in the U.S. liquid cytology market.

Medical Aesthetics

During fiscal 2019, we began considering divesting our Medical Aesthetics business, which continued to have revenue and other operating challenges in 2019. In early fiscal 2020, we completed the divestiture of Medical Aesthetics, allowing us to focus on our core businesses and long-term strategies.

All four financial performance metrics we use in our compensation plans, adjusted EPS^(*), adjusted revenue^(*), return on invested capital (ROIC)^(*) and relative total shareholder return improved from fiscal 2018 to fiscal 2019.

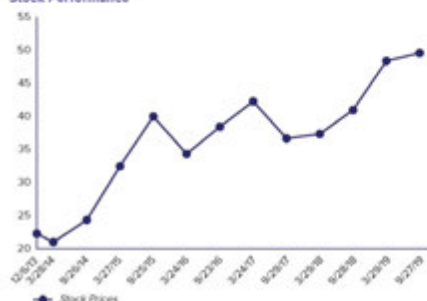
Overall, we continued to execute on strategies to accelerate growth in fiscal 2019 and posted very good results. We believe that we are entering 2020 with strong momentum both strategically and operationally.

- ^(*) The definition of non-GAAP adjusted EPS as used as a performance measure in our Short-Term Incentive Plan and a reconciliation of non-GAAP adjusted EPS to GAAP EPS is provided in [Appendix A](#) to this proxy statement.
- ^(*) The definition of non-GAAP adjusted revenue as used as a performance measure in our Short-Term Incentive Plan and a reconciliation of non-GAAP adjusted revenue to GAAP revenue is provided in [Appendix A](#) to this proxy statement.
- ^(*) As used in our Long-Term Incentive Plan, ROIC means adjusted net operating profit after tax divided by the sum of average net debt and average stockholders' equity. See "Why ROIC and Relative TSR?" on page 56.

Our Journey to Sustainable Growth

Since Mr. MacMillan joined the Company early in fiscal 2014, the Company has strengthened its commercial leadership positions in the United States, created a sustainable growth engine internationally, revitalized its research and development pipelines, and built business development capabilities to supplement internal growth. These activities, driven by a talented and engaged workforce, have led to consistent growth in annual revenue and we believe have had a direct result on our stock performance and total shareholder return ("TSR").

Stock Performance



Total Shareholder Return ("TSR")



Air Products

FISCAL 2019 PERFORMANCE AND STRATEGIC HIGHLIGHTS (PAGE 21)

<http://investors.airproducts.com/static-files/7153e529-bfe4-4136-a443-ad8fecf6f52f>

1 Highlights of Fiscal 2019 Company Performance and Compensation Actions

Fiscal 2019 Performance and Strategic Highlights

Financial Performance

EARNINGS PER SHARE



Increased 20% over fiscal 2018.

NET INCOME



Increased 18% over fiscal 2018.

ADJUSTED EARNINGS PER SHARE¹



Increased 10% over fiscal 2018.

ADJUSTED EBITDA¹



Increased 11% over fiscal 2018.

Safety Performance

Although the Company did not achieve its safety objectives in fiscal 2019, our safety record has improved significantly since fiscal year 2014, with a 63% improvement in the employee lost time injury rate and a 22% improvement in the employee recordable injury rate over that time.

Our goal is to be the safest, most diverse and most profitable industrial gas company in the world, providing excellent service to our customers.

In fiscal 2014, we established a Five-Point Plan that, when implemented, successfully focused our efforts on our core industrial gas business, restructured the organization, changed the culture, controlled capital and costs and aligned our incentive compensation structure. We subsequently evolved our Five-Point Plan to guide our success over the coming years. Today, our strategic Five-Point Plan focuses on the following objectives:






Sustain The Lead	Deploy Capital	Evolve Portfolio	Change Culture	Belong and Matter
Safest, most diverse, and most profitable	Strategically invest significant available capacity	Grow onsite portion	Safety, Simplicity, Speed, Self-Confidence	Inclusion
Best-in-class performance	Win profitable growth projects globally	Energy, environment and emerging markets	Committed and motivated	Enjoyable work environment
Productivity			Positive attitudes and open minds	Proud to innovate and solve challenges

¹ This is a non-GAAP financial measure. See Appendix A for a reconciliation to the most directly comparable financial measure calculated under GAAP.

EXECUTIVE
COMPENSATION

2019 Performance and Key Priorities

In 2018, senior management focused the business on five strategic priorities, outlined below, which were maintained in 2019. With these key priorities as guideposts, management was aligned with shareholders to drive performance leading to strong shareholder return. During 2019, Cardtronics returned to organic revenue growth and delivered a robust profit and cash flow performance. Additionally, we strengthened our position in our largest markets and positioned the Company to continue delivering profitable growth in the future due to solid tactical execution and strategic direction. The following are additional highlights of our 2019 performance.

Key Management Priorities:	Performance Highlights
 Drive organic growth and durable revenue streams	<ul style="list-style-type: none"> Returned to full-year revenue growth of 3% constant-currency North American 4% revenue growth, constant currency in 2019, driven by bank branding, Allpoint, and managed services Double-digit revenue growth in Germany, Spain, and South Africa
 Operational excellence & portfolio optimization	<ul style="list-style-type: none"> Record system availability in major markets ATM fleet optimized for profitability in the U.K. and Australia Implemented a new global ERP system
 Earn "raving fans" status with customers	<ul style="list-style-type: none"> 80% of Allpoint customers describe their relationship as "Truly Loyal," the highest rating by the Walker Voice-of-the-Customer Survey Double-digit surcharge-free transaction growth at leading retailers in the U.S.
 Deliver growth in free cash flow	<ul style="list-style-type: none"> Adjusted free cash flow of \$183 million in 2019 (as defined in the Cash Incentive Plan) Repurchased approximately 1.7 million shares Paid down outstanding debt by \$96 million
 Engender employee pride	<ul style="list-style-type: none"> Continued investment in talent and development across the organization Deployed enhanced corporate communication and collaboration tools on a global basis to drive increased collaboration throughout the organization Utilized employee engagement survey to drive targeted program development

The Company's 2019 performance relative to established targets was solid. Revenues were approximately in line with the established target for the year, coming in just short of the target. Adjusted EBITDA exceeded the target by approximately 5%, and Adjusted Free Cash Flow exceeded the target by approximately 27%. The Company strengthened its network by adding new partnerships with large financial institutions, retailers, and emerging financial technology companies. The Company generated strong Adjusted Free Cash Flow (as defined in the Cash Incentive Plan) of \$183 million for the year, enabling the repayment of almost \$100 million in outstanding debt while also investing \$50 million to repurchase shares, resulting in a 4% reduction in share count.

New products were also delivered during the year, and the Company made important investments in infrastructure, security, and new software. The Company also communicated its medium-term growth strategy and performance outlook at its first investor day. During 2019, the Company operated at a high level, delivered new customer growth and expansion, and improved margins. Management's execution relative to Company goals in 2019 resulted in a significant increase in shareholder value during the year, with the Company's share price up 72% in 2019.

Gilead Sciences

CORPORATE PERFORMANCE OBJECTIVES AND ACHIEVEMENTS FOR 2019 (PAGES 46 TO 48)

<http://investors.gilead.com/static-files/bfc1bd33-c4a3-4391-84db-40e8f8d5d18c>

Executive Compensation

Former Named Executive Officer ^a	2019 Target Bonus Opportunity (as a percentage of base salary)
Mr. Alton	100%
Ms. Washington	100%
Ms. Hamill	100%
Dr. McHutchison	100%

^a Ms. Hamill and Dr. McHutchison were not eligible to receive a 2019 bonus.

Corporate Performance Objectives and Achievements for 2019

Our Compensation Committee considered our performance in 2019 against the foregoing pre-established annual objectives, the degree of difficulty in achieving the objectives and relevant events and circumstances that affected our performance. Based on these assessments, our Compensation Committee determined a corporate performance factor between 0% and 150% for each category, as shown below. The chart below illustrates our performance targets for each performance category as well as the key achievements considered in determining our performance level.

Our Compensation Committee can add or subtract an additional 10% to recognize unanticipated factors, provided that the total amount payable does not exceed the maximum bonus opportunity for the year. **If our Compensation Committee determines that the overall corporate performance factor for the year was less than 50%, no bonus is payable.** The goals that were achieved above target are noted in **bold** below.

Performance Target	2019 Results
40%	Performance Factor: 120% of Target
Build Pipeline For the Future	
CORPORATE DEVELOPMENT	<ul style="list-style-type: none"> Expand our pipeline of pre-clinical and clinical programs through partnerships and acquisitions. We completed 27 partners to enhance the research at therapeutic areas.
RESEARCH	<ul style="list-style-type: none"> Recommend seven compounds for development. We recommended seven or multiple therapeutic areas.
HIV	<ul style="list-style-type: none"> File supplemental New Drug Application ("NDA") for Descovy PrEP by Q2 2019. Submitted sNDA in Q2 2019. Initiate Phase 1a studies for TAF long acting drugs. We initiated Phase 1a study September 2019; received FDA and Initiated Phase 1a October 2019.
LIVER DISEASES	<ul style="list-style-type: none"> Complete selonsertib Phase 3 data read out. Selonsertib Phase 3 data re project continuation. Complete Phase 2 NASH combination study for ATLAS and make Phase 3 initiation decision in Q4 2019. Received topline results for determination for Phase 3 in Q4 2019, behind schedule.
INFLAMMATORY/ RESPIRATORY	<ul style="list-style-type: none"> Advance the filgotinib program for rheumatoid arthritis. We received 24-week data NDA ahead of schedule. NDA the FDA.
HEMATOLOGY/ ONCOLOGY	
CELL THERAPY	

Executive Compensation

Performance Target 2019 Results
Completed mid-year team build-out, including several executive hires and interim appointments, which resulted in a new set of Named Executive Officers. Although possible executive refreshment is to be expected, building out a new leadership team resulting in all new Named Executive Officers is a significant accomplishment.

Developed and communicated our new corporate strategy which focuses on expanding internal and external innovation, strengthening our portfolio strategy, increasing patient access and benefits and ensuring our future.
Expanded our collaboration with Gilead's own pipeline with access to Gilead's pioneering research capabilities and an innovative portfolio of compounds, enabling our R&D pipeline.
Launched RADIAN Initiative to meaningfully address new HIV infections and deaths from AIDS-related illnesses in Eastern Europe and Central Asia, in collaboration with the Ellen Johnson AIDS Foundation.
Descovy received U.S. approval for pre-exposure prophylaxis (PrEP) for people at risk for contracting HIV. At the end of 2019, approximately 27% of individuals on PrEP in the U.S. were receiving Descovy.
Overall 2019 Corporate Performance Factor 120%

Based on the achievements described above, our Compensation Committee certified an overall corporate performance achievement of 120% of target. Our Board believes that our achievements in 2019 positioned us for future long-term growth. We are confident in the strong fundamentals in the HIV business and the potential growth of inflammation, both of which are long-term growth areas for us. We have strong operating margins, resulting in strong cash flow. Our solid cash flow has given us the financial strength to continue to build our pipeline, not only internally but through mergers and acquisitions and external partnerships. We have a strong foundation for future products and growth in multiple therapeutic areas through the 27 partnerships, collaborations and investments in 2019.







Individual Performance Objectives

Our Compensation Committee also considered the individual contributions of our Named Executive Officers (other than our Chief Executive Officer, whose bonus opportunity was based entirely on corporate performance) to the achievement of the research and development, commercial, financial and operational objectives that supported our corporate objectives. The assigned individual performance factors reflect the extent to which each Named Executive Officer's personal contributions were determined to benefit our overall performance and to exceed or fall short of his or her individual objectives, which are determined and communicated to executives at the beginning of the year. In considering the annual bonus attributable to individual performance, our Compensation Committee considered the accomplishments of each Named Executive Officer. The table below summarizes 2019 achievements for each Named Executive Officer who was eligible to receive a bonus.

Executive Compensation

Performance Target	2019 Results
20%	Performance Factor: 130% of Target Results: 26%
Launch and Support Products	
HIV	<ul style="list-style-type: none"> Deliver on Bikary uptake. Bikary is the most successful launch in the U.S. and is the number one prescribed regimen in both treatment-naïve and switch patients in the U.S.
CELL THERAPY	<ul style="list-style-type: none"> Enforce reimbursement for CAR T treatment. Moderna coverage of CAR T therapy confirmed by Centers for Medicare Services (CMS) in the final national drug costs issued in August 2019. Maintain current patient dose rate for Vesicore, for cell therapy marketing authorization application (MAA) in Q4 2019 and finalize design of viral vector manufacturing infrastructure in Q3 2019. We maintained patient dose rate for Vesicore. Filed MAA in October 2019 and finalized design of viral vector manufacturing infrastructure on schedule.
HCV	<ul style="list-style-type: none"> Launch authorized generics of Epclusa and Harvoni through Gilead's separate subsidiary, Aegion in Q2 2019. Aegion launched successfully with generic versions launched in Q2 2019. Ensure broad access to Gilead HCV products; regain and grow patient share in the U.S. U.S. market share exceeded expectations, while EUS and Japan were in line with budget.
INFLAMMATION	<ul style="list-style-type: none"> Increase awareness of filgotinib as a JAK-1 inhibitor. We successfully increased awareness of the association of filgotinib with JAK-1 through our outreach programs. Filgotinib launch preparations underway in the U.S., Europe and Japan.
10%	Performance Factor: 140% of Target Results: 14%
Develop Organizational Capacity	
EMPLOYEES AND CULTURE	<ul style="list-style-type: none"> Through hiring and succession planning, ensure a strong, diverse talent pipeline is in place for critical roles. Identified and hired key roles to ensure a strong talent pipeline for critical roles. Deliver against Gilead's diversity and inclusion goals. Identified and enhanced several infrastructure improvements that increased company-wide efficiency. Enhancements include the introduction of further collaboration infrastructure which reduced the need for travel and other sustainable improvements to the Foster City campus.
Financial Results	
Meet the 2019 financial performance targets as approved by the Board of Directors in the January 24, 2019 meeting:	<ul style="list-style-type: none"> Achieved net product revenues of \$22.1 billion, which exceeded the budget and hit the higher end of guidance (which was raised in July 2019). Expenses were approximately 3% over budget. Free cash flow was 7.5% higher than budget.
Net product revenues	
Total expenses	
Free Cash Flow	
ACHIEVEMENTS	Results: 6%

Strategic & Operational Assessment (30% Weight). Our strategic and operational performance assessments are evaluated differently than financial performance assessments. For the 2019 performance year, a broad set of goals were established for our strategic and operational commitments at the beginning of the year, including goals tied to the development of new business, program performance, technological innovation, and executing on sustainability initiatives, such as achievement of pre-established measures and targets related to diversity and talent management. The strategic and operational performance goals are not measured against quantitative performance criteria for each goal, because some are aspirational, cannot be forecasted reliably or are qualitative in nature. When determining the overall payout factor, the Compensation Committee considers both quantitative and qualitative results and applies discretion when evaluating performance in totality. The strategic and operational performance goals and results are set forth below.

2019 Strategic & Operational Goals Summary		Assessment Summary Highlights
	Focus Programs	<ul style="list-style-type: none"> • Orders of \$72.6 billion with a new record backlog at year-end of \$144 billion • 100% win rate on key focus program captures • 76% win rate on programs throughout the year
	Secure key Focus Program wins and achieve Keep Sold Program milestones	
	Mission Success	<ul style="list-style-type: none"> • Continued operational excellence with completion of all targeted Mission Success events • Key program milestones achieved throughout the Corporation in all customer operational domains
	Achieve Mission Success milestones	
	Program Performance	<ul style="list-style-type: none"> • Exceeded subcontractor performance goals • Returned \$3.8 billion of Cash from Operations to our stockholders through dividends and share repurchases
	Execute programs to achieve customer commitments and increase stockholder value	
	Portfolio Shaping / Enterprise Initiatives	<ul style="list-style-type: none"> • Exceeded affordability goals and realized corporate overhead savings • Key strategic partnerships launched to drive business growth • Met key milestones and continued progress toward Sustainability Management Plan goals relating to all of our core issues: Business Integrity, Product Impact, Employee Wellbeing, Resource Efficiency and Information Security
	Assess portfolio on an ongoing basis to maximize stockholder value, which includes M&A activity, streamlining operations and other enterprise initiatives	
	Innovation	<ul style="list-style-type: none"> • Extended leadership positions in hypersonics and directed energy, while investing in other critical technologies • Continued implementation of transformational digital capabilities and infrastructure across the enterprise
	Execute technology strategy, ensuring robust innovation, collaboration and strategic partnering	
	Talent Management	<ul style="list-style-type: none"> • Exceeded retention rate target for top performers • Enhanced development and succession placements for key executive positions • Successfully executed diversity and inclusion initiatives • Improved and exceeded targets for employee engagement
	Attract, develop and retain the workforce needed to deliver commitments to customers and stockholders	
Strategic & Operational Payout Factor		200%

The Compensation Committee reviewed these accomplishments and recommended this factor to recognize the Corporation's strong operational performance in a highly competitive environment while undertaking and executing major strategic initiatives.

Service Corporation International

PAY FOR PERFORMANCE AND CORPORATE STRATEGY (PAGE 39)

<https://www.sci-corp.com/dfsmedia/042808e1630c49a48950d5077d6556eb/36185-source>

Pay for Performance and Corporate Strategy

We have aligned our executive compensation programs with our long-term strategy. Actions taken to achieve the performance compensation metrics are creating long-term value for our shareholders and other stakeholders.

Our Core Strategy: Grow Revenue, Leverage Scale, and Deploy Capital



Implementing our core strategy allows us to deliver superior total shareholder return

Grow revenue



We plan to grow revenue by remaining relevant to our customers as their preferences evolve through a combination of price, product, and service differentiation strategies. Growing our preneed sales will drive future revenue growth. In 2019, we grew revenue by \$41 million to \$3.2 billion as a result of a 4.6% and 1.5% growth in our funeral and cemetery preneed sales production, respectively.

Leverage scale



We leverage our scale by developing our sales organization and optimizing the use of our network through the use of technology and for the benefit of our preneed backlog. Our large scale enables us to achieve cost efficiencies through the maximization of purchasing power and utilizing economies of scale through our supply chain channel. This year, we took significant steps to improve the quality of customer feedback and elevate our online reputation.

Growing revenue and leveraging scale increases cash flow, which enables us to:

Deploy capital



We continue maximizing capital deployment opportunities in a disciplined and balanced manner to the highest relative return opportunity. Our priorities for capital deployment are: 1) investing in acquisitions and building new funeral service locations, 2) paying dividends, 3) repurchasing shares, and 4) managing debt. In 2019, we deployed capital of \$404 million, investing \$143 million in acquisitions, new build opportunities, and acquiring land for cemeteries and returning \$261 million to shareholders through dividends and share repurchases.

Western Union

BUSINESS OVERVIEW (PAGE 31)

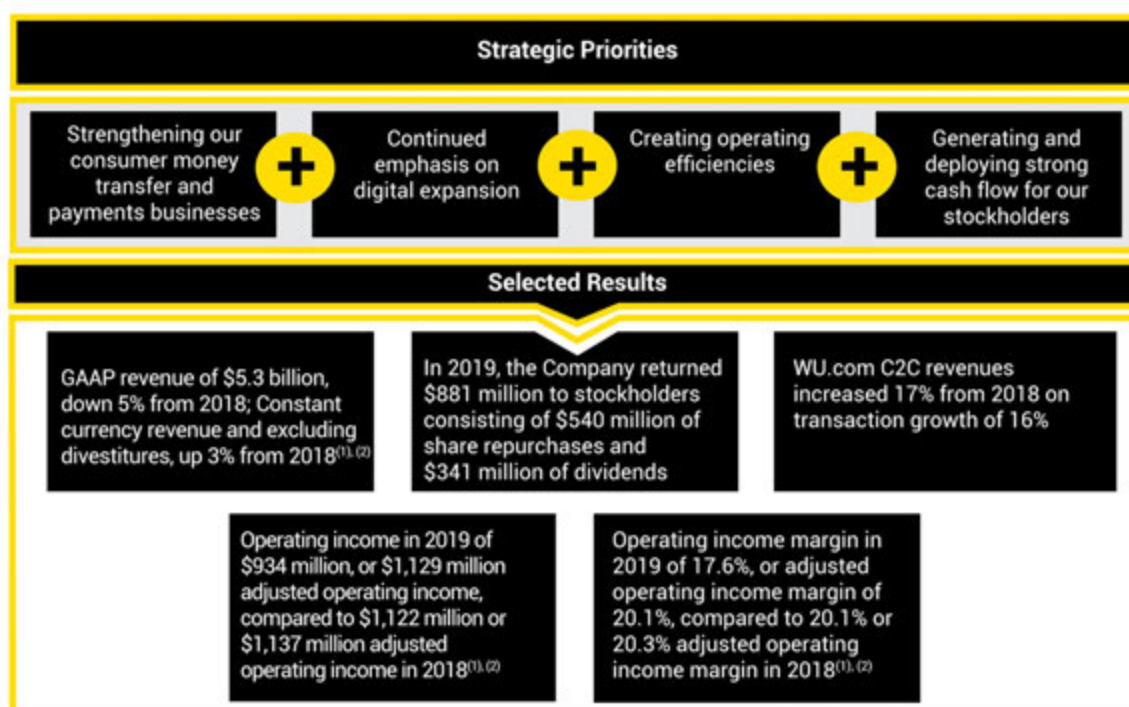
http://s21.q4cdn.com/100551446/files/doc_financials/2019/ar/2019-Annual-Report-2020-Proxy-Statement.pdf

BUSINESS OVERVIEW

The Western Union Company provides people and businesses with fast, reliable, and convenient ways to send money and make payments around the world. Western Union offers its services in more than 200 countries and territories. Our business is complex: our regulatory environment is disparate and developing; our consumers are different from those addressed by traditional financial services firms; and our agent and client relationships are numerous and varied.

Managing these complexities is at the center of Western Union's success, and our leadership must be capable of supporting our Company's goals amid this complexity.

The Company's key strategic priorities for 2019 are set forth in the chart below. The performance goals and objectives under our annual incentive and long-term incentive programs were designed to support these strategic priorities.



NOTICE OF 2020 ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

Campbell's

2012 STRATEGIC PROGRESS AND FINANCIAL RESULTS (PAGE 36)

https://www.sec.gov/Archives/edgar/data/16732/000120677419003416/cpb_courtesy-pdf.pdf

2019 Strategic Progress and Financial Results

On August 30, 2018, we announced the results and objectives from our strategic review. During fiscal 2019, we made significant progress towards achieving our objectives.

August 2018 Objectives	Fiscal 2019 Accomplishments
<ul style="list-style-type: none"> Focus the Company on two distinct businesses - Snacks and Meals & Beverages, in our core North American market 	<ul style="list-style-type: none"> Developed a new, straightforward strategy focused on one geography and two core businesses
<ul style="list-style-type: none"> Divest Campbell Fresh and Campbell International 	<ul style="list-style-type: none"> Sold our U.S. refrigerated soup business on February 25, 2019 Sold our Garden Fresh Gourmet business on April 25, 2019 Sold our Bolthouse Farms business on June 16, 2019 Signed a definitive agreement for the sale of our Kelsen business on July 12, 2019, and completed the sale on September 23, 2019 Signed a definitive agreement on August 1, 2019, for the sale of our Arnott's business and certain other international operations
<ul style="list-style-type: none"> Reduce debt 	<ul style="list-style-type: none"> Divestiture net proceeds of approximately \$3 billion will be used to significantly reduce our debt
<ul style="list-style-type: none"> Increase cost savings target 	<ul style="list-style-type: none"> Achieved \$560 million of the expected \$850 million in cost savings from continuing operations that we expect to achieve by the end of fiscal 2022

On August 30, 2019, we announced our fiscal 2019 financial results, which included:

- Net sales of \$8.107 billion
- Earnings before interest and taxes ("EBIT") of \$979 million
- Adjusted EBIT of \$1.266 billion
- Earnings per share ("EPS") from continuing operations of \$1.57
- Adjusted EPS from continuing operations of \$2.30
- Cash flows from operations of \$1.398 billion

More information on our business performance in fiscal 2019 is available in our 2019 Form 10-K, which is included in the 2019 Annual Report to Shareholders that accompanies this proxy statement. Information on items impacting comparability is available in Appendix A, which also provides a reconciliation of adjusted EBIT and adjusted EPS, which are non-GAAP measures, to their most comparable GAAP measures.

Commitment to Long-Term Value

King & Spalding Commentary

Whether as a standalone section or language folded in elsewhere, the phrase “long-term shareholder value” should appear somewhere in the CD&A. Many of your shareholders want to know that the Committee intends to align the incentives of executives and long-term owners. Proof of historical value creation, if available, is particularly effective.

Navistar

LONG-TERM INCENTIVES OR “LTI” (PAGES 42 TO 44)

https://s2.q4cdn.com/760048324/files/doc_downloads/annual-meeting/Navistar-2020-Proxy-Statement.pdf

Long-term Incentives or “LTI”

Our objectives for including long-term incentives as part of our executive officer’s total compensation package include:

- Aligning NEO and stockholder interests by tying compensation to share price appreciation.
- Building long-term stockholder value.
- Cultivating stock ownership.

LTI awards are governed by the 2013 PIP, which is an omnibus plan that allows for various awards such as cash, time and performance based stock options, stock appreciation rights, time and performance-based RSUs, restricted cash units (“RCUs”), premium share units (“PSUs”), deferred share units (“DSUs”) and performance shares.

The Compensation Committee approved LTI awards under the 2013 PIP for 2019 for eligible plan participants in February 2019. LTI awards granted to NEOs in 2019 were comprised of performance-based RCUs, based on adjusted EBITDA and revenue growth goals, time-based RSUs (share settled), and time-based stock options as indicated in the following table. The value of each NEO’s LTI awards was split 50% in RCUs, 30% in RSUs and 20% in stock options.

EXECUTIVE COMPENSATION

2017 Long Term Incentive - Performance Awards

The table below provides details on the performance awards our NEOs were granted in 2017 and the actual amounts earned for the performance period ending October 31, 2019 upon the attainment of certain performance metrics, as approved by the Compensation Committee in December 2019. The Performance-Based RCU payments will be made in February of 2020 with the exception of Mr. Kramer’s RCU payment which will be made in March of 2020. The right to the awards are subject to service conditions being met.

TARGET



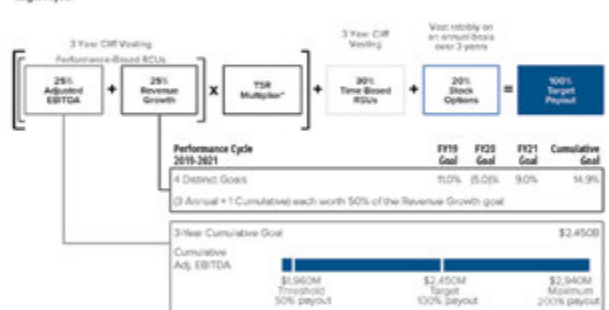
* Values shown reflect the new segment-weighted methodology for 2019

RESULTS



EXECUTIVE COMPENSATION

Target Payout



* We have a 3-Year Relative Total Shareholder Return (TSR) “trigger” around the annual goals in order to measure Navistar’s stock price against our proxy peer group and any payouts are subject to the TSR multiplier which can decrease the payment by as much as 25% or increase the payment by as much as 25%, depending on the value of the TSR at the end of fiscal year 2021.

McDonald's

SECOND PRINCIPLE: DRIVE BUSINESS RESULTS AND LONG-TERM SHAREHOLDER VALUE (PAGE 42)

https://corporate.mcdonalds.com/content/dam/gwscorp/nfl/investor-relations-content/company-overview/2020_proxy.pdf

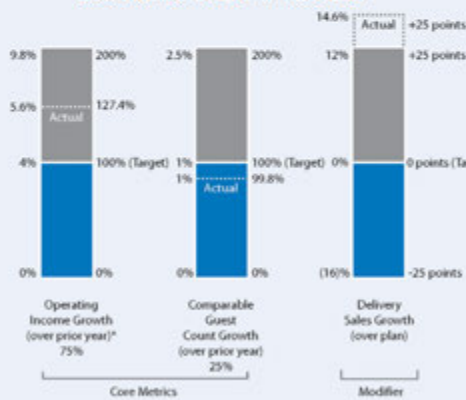
SECOND PRINCIPLE: DRIVE BUSINESS RESULTS AND LONG-TERM SHAREHOLDER VALUE

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 the Company's compensation program is aligned with and supports current business strategy. The Committee's annual review of our executive compensation program confirmed that it is straightforward, holistic and incorporates multiple aspects of business performance in support of Company strategy. Further, to drive long-term value creation, we generally deliver approximately 75% of our CEO's compensation opportunity in the form of equity awards that vest over several years. Mr. Kempczinski's target total direct compensation is consistent with this breakdown in 2020, which will be his first full year as CEO.

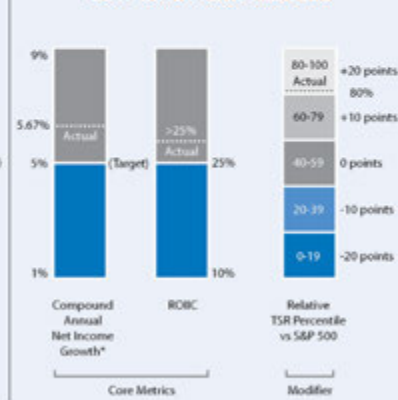
INCENTIVE AWARDS – 2019 PAYOUTS

The Committee established meaningful stretch targets that were closely aligned with our annual and three-year business plans. Our Corporate STIP payout was above target (145.5%) due to strong operating income results across the world. The Company's robust multi-year performance (2017-2019) also resulted in a payout significantly above target (161.8%) for the PRSUs that vested in early 2020.

2019 CORPORATE STIP RESULTS



2017-2019 PRSUs RESULTS



* The 2019 operating income target and the operating income and net income results above have been adjusted in accordance with the Committee's pre-established guidelines. Please see page 47 for further information regarding the Committee's guidelines and 2019 operating income adjustments.

United Therapeutics

LETTER FROM OUR COMPENSATION COMMITTEE CHAIRMAN (PAGES 40 TO 41)

🔗 https://s1.q4cdn.com/284080987/files/doc_financials/2020/ar/2020-Proxy-Statement.pdf

OUR COMPENSATION PROGRAM INCENTIVIZES, RETAINS, AND REWARDS WHILE REDUCING ANNUALIZED PAY VOLUME

Our first — and what we anticipate to be temporary — revenue trough

With an objective to incentivize and retain our leadership team, as well as balance and incorporate shareholder feedback and concerns into our total compensation program, our Compensation Committee put together a unique and thoughtfully designed long-term incentive plan in 2019. We made the decision to grant our Named Executive Officers a four-year stock option grant in March 2019 to cover the four-year performance period of 2019 through 2022 to align with our four-year business plan. This single grant is intended to cover four years of equity awards and replaces the prior annual program. This grant was awarded in two equal tranches. One-half of the stock options were awarded with a 15% premium exercise price and the other half were awarded with an exercise price equal to our stock price on the date of grant. We do not intend to grant any additional equity compensation during this four-year period to our Named Executive Officers.

As with prior years, we have continued to issue equity to our Named Executive Officers exclusively in the form of stock options in order to fully align their interests with those of shareholders and incentivize superior performance. Our Named Executive Officers will realize value from these awards if our stock price increases above the exercise prices. These stock options were granted with exercise prices of \$117.76 and \$135.42 per share, and our stock price at year end 2019 was \$88.08. As a result, these stock options were all substantially underwater at year end 2019. Our stock price must experience double-digit growth for the Named Executive Officers to realize the full reported value from these stock options. That same growth provides value creation for our shareholders, directly aligning pay with performance.

OPTIONS INCENTIVIZE SHAREHOLDER VALUE CREATION



Our 2019 program uniquely achieves the strategic objectives of our compensation philosophy and is intended to ensure the retention and motivation of our executive leadership team while returning value to our shareholders by incentivizing long-term growth, reducing dilution, and aligning realizable pay with shareholder interests.

The Travelers Companies

CONSISTENT PERFORMANCE OVER TIME (PAGES 31 TO 34)

http://investor.travelers.com/interactive/newlookandfeel/4055530/TRV_2020_Proxy_Statement.pdf

Consistent Performance Over Time

Our strong results in 2019 demonstrate the continued successful execution of our long-term financial strategy shareholder value.

STRATEGIC OBJECTIVE

- Deliver superior returns on equity by leveraging our competitive advantages
- Generate earnings and capital substantially in excess of our growth needs
- Thoughtfully rightsize capital and grow book value per share over time

TRAVELERS 10-YEAR PERFORMANCE

- Produced industry-leading return on equity with low level of volatility
- Increased dividends per share at an average annual rate of 10%
- Returned more than \$32 billion of excess capital to our shareholders
- Increased our book value per share by 93%
- Delivered a total return to shareholders of 251%

The Company's successful execution of this long-term financial strategy is demonstrated by the results we have over time as discussed below.

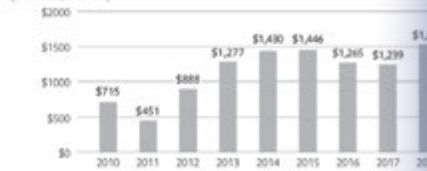
Continued Profitability and Quality Underlying Underwriting Results

- Our business starts with risk selection, underwriting and pricing segmentation.
- Our 2019 underlying underwriting gain (our "underwriting margin" excluding the impact of catastrophes and net prior year reserve development) of \$1.4 billion after-tax was very strong.
- This result demonstrates the quality of our underwriting and the discipline with which we run our business.

The results we deliver are due to our deliberate and consistent approach to creating shareholder value. Our consistently articulated objective is to produce an appropriate return on equity for our shareholders over time. We

TRAVELERS' UNDERLYING UNDERWRITING GAIN

(in millions, after-tax)



Underwriting Gain (Loss)	\$ 804	\$(745)	\$ 296	\$1,442	\$1,584	\$1,725	\$1,199	\$ 350	\$ 1,444
Net Investment Income	\$2,468	\$2,330	\$2,316	\$2,186	\$2,216	\$1,905	\$1,846	\$1,872	\$2,186
Net Income	\$3,216	\$1,426	\$2,473	\$3,673	\$3,692	\$3,439	\$3,014	\$2,056	\$3,630

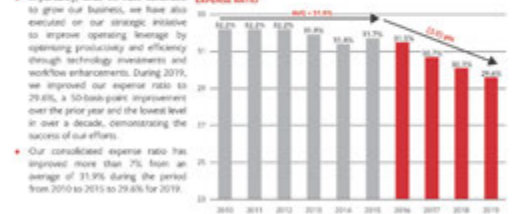
Strategic Focus in Light of Forces of Change

Shortly after Mr. Schnitzer was appointed Chief Executive Officer in 2015, the Company identified the forces of change impacting our industry - namely, changing consumer expectations, emerging technology trends, more sophisticated data and analytics and evolving distribution models. In light of these trends, the Company established key innovation priorities and invested in capabilities to advance those priorities. These investments are largely geared toward positioning the company to grow the top line at attractive returns and improve operating leverage.

NET WRITTEN PREMIUM GROWTH



EXPENSE RATIO

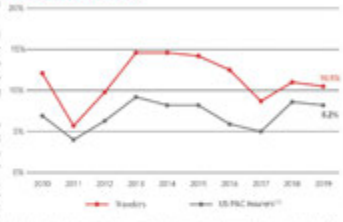


Achieved a Superior Return on Equity

Our return on equity has meaningfully outperformed the average return on equity for the property and casualty industry in each of the past 10 years.

- In 2019, we produced a return on equity of 10.5% and a core return on equity of 10.5%.
- Our 2019 return on equity exceeded the average return on equity for the domestic property and casualty industry in 2019 of approximately 8.2%, as estimated by Conning, a global investment management firm.
- Our average return on equity over the past decade has been accompanied by less volatility as compared to the vast majority of members of our Compensation Comparison Group. We believe that our performance over time demonstrates the value of our competitive advantages and the discipline with which we run our business.

RETURN ON EQUITY 2010 - 2019

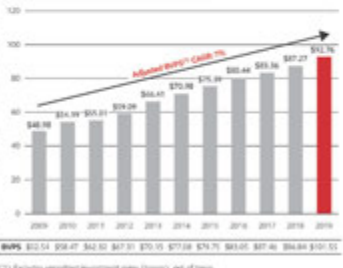


Increased Adjusted Book Value Per Share and Returned Significant Excess Capital to Our Shareholders

Over the last 10 years, we achieved significant growth in both book value per share and adjusted book value per share (which excludes the after-tax impact of unrealized gains and losses on investments) while at the same time continuing to invest meaningfully in our competitive advantages and returning substantial excess capital to shareholders.

- During 2019, our book value per share increased 17%, including 11% due to a decline in interest rates. Because we generally hold our fixed income investments to maturity and maintain a very high-quality investment portfolio, we manage based on adjusted book value per share. Our adjusted book value per share increased by 4% during 2019.
- Over the last 10 years, the compound annual growth rate of each of our book value per share and adjusted book value per share was 7%.
- During 2019, we returned \$2.4 billion in capital to shareholders through more than \$1.5 billion of share repurchases and more than \$800 million of dividends.
- Over the last 10 years, we increased our dividend each year and increased dividends per share at an average annual rate of 10%.

GROWING ADJUSTED BOOK VALUE PER SHARE



(*) Excludes unrealized investment gains (losses), net of taxes.

es, reserve develop
Accordingly, we believe that the
The Compensation Committee
tive, as it has historically.

Since we began our current share repurchase program in 2006, we have returned approximately \$40 billion of excess capital to shareholders through share repurchases (at an average price per share of \$67.39) and dividends, an amount that exceeds the Company's market capitalization of approximately \$30 billion at the time the repurchase program was initially authorized in 2006.

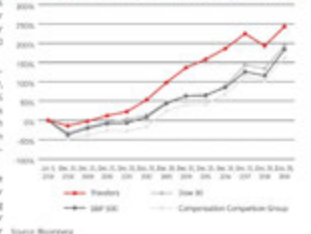
Achieved Superior Total Return to Shareholders Over Time

Strong financial results have led to outstanding total returns to shareholders over time (measured as the change in stock price plus the cumulative amount of dividends, assuming dividend reinvestment on the respective dividend payment dates).

We measure our success in executing on our financial strategy over time. This long-term perspective is especially important in the property and casualty insurance industry where a short-term focus could create incentives for management to relax underwriting or investment standards to increase revenue and reported profits in the near term but create excessive risk for shareholders over the longer term. Moreover, results in the property and casualty insurance industry can vary significantly when measured year-to-year due to a variety of factors, and success can only be measured over time and in the context of periods of weather volatility, through anticipated and unexpected developments impacting loss trends and through both general economic cycles and more extreme economic conditions. Accordingly, we believe that the right way to manage our business is with a long-term perspective and to create value over time. Consequently, in assessing total shareholder return, the Compensation Committee generally gives greater weight to performance over a longer period of time.

- Our total return to shareholders in 2019, including dividends, was approximately 17% for the year as compared to 28% for our Compensation Comparison Group, 25% for the Dow 30 Index and 31% for the S&P 500 Index.
- For the three-year, five-year and ten-year periods ended December 31, 2019, our shareholder returns were 20%, 45% and 251%, respectively. These returns placed the Company at the 36th, 46th and 54th percentile of our Compensation Comparison Group for the three-year, five-year and ten-year periods, respectively.
- As demonstrated by the chart, for the period beginning January 1, 2008 (prior to the 2008 financial crisis) and ending December 31, 2019, our total shareholder return of 242% exceeded that of our Compensation Comparison Group, the Dow 30 Index and the S&P 500 Index.

TOTAL RETURN TO SHAREHOLDERS CALCULATED FROM JANUARY 1, 2008



Source: Bloomberg

Overview of Newmont's Compensation Structure

Balanced Program that Supports Strategy, Sustainability and Profitable Growth

Mining is a long-term business with commitments and investments that can span decades through various commodity cycles and other macroeconomic events. This reality requires an appropriate balance within pay programs to focus short-term behavior and direct long-term outcomes, while motivating and retaining leadership through various economic and commodity cycles. The incentive plans incorporate operational, financial, individual, and share price metrics on both an annual, and longer-term timeframe. The programs reward for results in areas where leaders have the most influence on driving business performance and includes measures that drive long-term performance gains for our stockholders.

Annual Incentives Focus on Mining Cycle and Value Creation

Strategic objectives and leadership priorities

Operating, financial, environmental and social objectives:



Health & Safety

Culture of zero harm; industry leading health & safety performance



Exploration

Reserves and Resources pipeline for sustainable growth



Project Execution

Development and improvements for our most promising assets; efficient allocation of capital



Operating Cost

Focus on lowering operating costs and improving efficiency to achieve our full potential



Earnings

Theme of "value over volume"; generate cash to fund projects, dividends, debt reduction



Sustainability

Leading environmental, social and governance performance aligned with society's expectations and our values



Integration

Delivering on financial synergies and organizational objectives to successfully integrate the newly acquired business

Long-Term Incentives Drive Shareholder Value & Promote Growth

Business results and alignment to shareholder experience

Value creation objectives:



Share Price Performance

Executing strategic and operating objectives supports long-term value creation and superior share price performance



Total Shareholder Return (TSR)

Relative TSR versus gold competitors supports the goal to deliver top quartile performance within the gold sector

The program is designed to account for the unique components of the mining cycle, from discovery to reclamation. We recognize that within a commodities industry, the stock price is influenced by factors outside of the control of the company, but believe the metrics used within the programs direct behavior toward goals that drive value over time. Our balanced approach continues to orient toward achievement of critical goals, with the ability to earn incentives, even in periods with commodity price movement.

Alleghany

LONG-TERM COMPENSATION SUMMARY (PAGE 37)

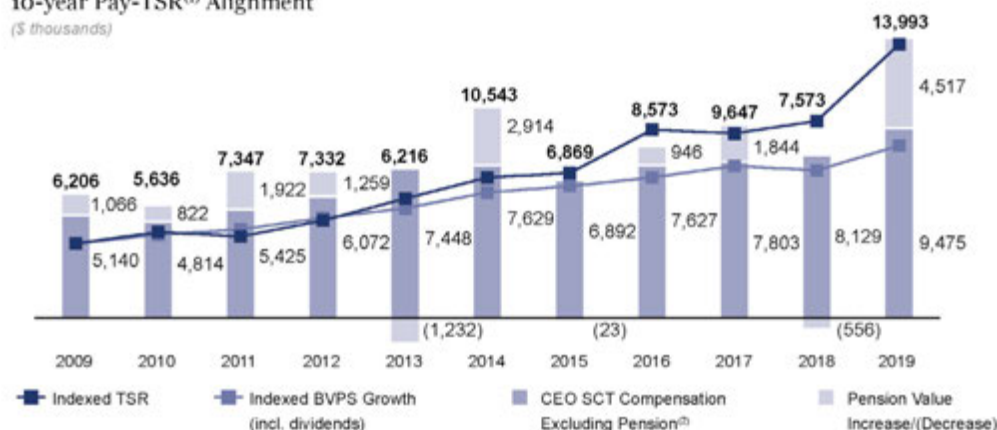
<https://d18rnOp25nwr6d.cloudfront.net/CIK-0000775368/e278008f-4e0f-4994-be36-d33474eaf6f2.pdf>

Long-Term Compensation Summary

During the ten-year performance period set forth in the graph above, we believe that Mr. Hicks's compensation has been well-aligned with Alleghany's long-term performance as can be seen in the table below:

10-year Pay-TSR⁽¹⁾ Alignment

(\$ thousands)



	Year											CAGR		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1 Year	3 Year	10 Year
CEO Total Compensation ⁽¹⁾	6,206	5,636	7,347	7,332	6,216	10,543	6,869	8,573	9,647	7,573	13,993	84.8%	17.7%	8.5%
Pension Value Increase/(Decrease)	1,066	822	1,922	1,259	(1,232)	2,914	(23)	946	1,844	(556)	4,517			
CEO SCT Compensation Excluding Pension ⁽²⁾	5,140	4,814	5,425	6,072	7,448	7,629	6,892	7,627	7,803	8,129	9,475	16.6%	7.5%	6.3%
Indexed TSR	100	113	108	126	151	175	180	229	225	239	306	28.3%	10.2%	11.8%
TSR vs. CEO Compensation (excl. pension)														
Increases/(Decreases)												11.7%	2.7%	5.5%
Indexed BVPS Growth ⁽⁴⁾	100	110	116	129	140	158	165	175	188	183	211	15.8%	6.5%	7.8%
BVPS vs. CEO Compensation (excl. pension)														
Increases/(Decreases)												(0.8%)	(1.0%)	1.5%

⁽¹⁾ Total Shareholder Return reflects Alleghany share price appreciation including the impact of stock and cash dividends.

⁽²⁾ Represents CEO compensation as reported in the Summary Compensation Table on page 52, excluding annual fluctuation in pension value.

⁽³⁾ Includes annual fluctuation in pension value. Calculated according to SEC rules except for 2013, 2015 and 2018, which include a negative value for Mr. Hicks's pension benefit. SEC rules require that negative pension value changes are reflected as a "zero" in the Summary Compensation Table.

⁽⁴⁾ BVPS growth includes the impact of stock and cash dividends.

Individual Performance Scorecards

King & Spalding Commentary

Brief scorecards for executive officer performance help explain compensation decisions while providing helpful detail about NEO focus areas. When done well, these can be very effective. However, companies should be wary of any unduly flattering or simplistic descriptions; investors may ask the compensation committee chair to explain why superlatives are used when describing executive performance.

PepsiCo

NEO PERFORMANCE SUMMARY (PAGES 50 TO 51)

https://www.pepsico.com/docs/album/annual-reports/pepsico-inc-2020-proxy-statement.pdf?sfvrsn=b0543005_2

Executive Compensation

NEO Performance Summary. In determining annual incentive awards for 2019, the Compensation Committee considered the following accomplishments by NEOs, other than the Chairman and CEO, who is discussed earlier. The 2019 LTI awards granted to NEOs in March 2019 took into account 2018 performance, and were also disclosed in the Compensation Discussion and Analysis of the 2019 Proxy Statement.

NEO Performance	2019 Compensation (\$000)
Hugh F. Johnston Vice Chairman, EVP and CFO, PepsiCo	<ul style="list-style-type: none">Enabled PepsiCo to increase its dividend for the 47th consecutive year in 2019, returning \$8.3 billion in cash to shareholders through \$5.3 billion of dividends and \$3 billion in gross share repurchasesOversee the generation of over \$1 billion in savings through productivity initiatives which are integral towards the improvement of go-to-market capabilities and execution efficiencyMaintained PepsiCo's strong capital market structure, successful debt offerings and continued effective controls over capital spending, delivering Free Cash Flow of \$6.7 billion excluding certain items⁽¹⁾Facilitated PepsiCo's information technology support through the successful deployment of a global business shared services solutionLed the transformation of PepsiCo's digital and analytical capabilities with the appointment of a newly-created Chief Data Officer positionAchieved progress in the simplification and standardization of information technology processes and systems  <p>Key Decisions: No change was made to Mr. Johnston's total annual compensation in 2019.</p>

Kirk Tanner CEO, PBNA	<ul style="list-style-type: none">Delivered Organic Revenue Growth of 3%⁽¹⁾ in a rapidly evolving retail market, PBNA's fastest rate of growth since 2015Improved growth for Gatorade, building upon successful launch of Gatorade Zero, which delivered more than \$600 million in retail sales in 2019Delivered a record year of innovation with more than \$1 billion of cumulative retail sales for Gatorade Zero, bubbly, Mountain Dew AMP Game Fuel, Pure Leaf Herbals and Starbucks Triple EnergyLed the transformation of PBNA's operating structure into segmented market units, each providing greater focus on meeting consumer demands and executing with local relevanceEnhanced presence in the away-from-home channel by becoming the preferred beverage partner for JetBlue Airways, Carnival Cruise Line and Regal CinemasPartnered with The Coca-Cola Company and Keurig Dr Pepper to launch the "Every Bottle Back" initiative with the objective of reducing the usage of new plastic by making significant improvements in the way material is collected, sorted and recycled
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⁽¹⁾ Please refer to Appendix A to this Proxy Statement for a description and reconciliation of these non-GAAP financial measures, and to pages S7-62 and A4-46 of PepsiCo's 2019 Annual Report on Form 10-K for 2019 for a more detailed description of the items excluded from these measures.

Executive Compensation

NEO Performance	2019 Compensation (\$000)
Shiro Pignatelli CEO, Europe	<ul style="list-style-type: none">Stable and consistent performance in EMEA despite ongoing macroeconomic volatility in a number of key marketsImproved market share in the majority of European markets, particularly within the beverages category in Germany, Poland and the snacks category in Belgium, Russia and UkraineLaunched the "Perfect Store" retail execution program aimed at implementing the best ideas in the areas of portfolio, merchandising, visibility, price and promotion to achieve accelerated growthSupported product innovation across EMEA portfolio to improve consumer choices by reducing sodium and saturated fats with the introduction of Frito's On-the-Bowl with Veg in the U.K. and Lay's On-the-Bowl in Eastern marketsProvided leadership in the transition of the Sub-Saharan Africa business unit to the Africa, Middle East, South Asia DivisionEnhanced the sustainability agenda through changes in plastic bottle production in Spain, Russia and Romania, and product labeling in Russia, Romania and Ukraine, working towards achieving PepsiCo's goal of 100% recycled plastic usage in bottles by 2030 across the European Union  <p>Key Decisions: Mr. Pignatelli's base salary increased to \$750,000 in connection with his promotion to CEO, EMEA in February 2019.</p>
Russell Scheidtman EVP and CMO, PepsiCo	<ul style="list-style-type: none">Led succession planning across resulting from organizational changes, focused on developing and maintaining a highly skilled and diverse leadership teamRedesigned the executive compensation programs effective 2020 in order to further enhance the link of performance-based incentives with our aspirations to become Faster, Stronger and BetterPrioritized gender parity by advancing female promotional opportunities and pay equity in 15 countries that collectively make up more than 50 percent of PepsiCo's salaried populationImproved organizational health across all geographies with engagement results reflecting the highest levels in the last ten yearsActivated the PepsiCo Play, reinforcing the values and intent of working to foster a culture where employees act like owners, with a greater sense of empowerment and accountabilityProvided leadership in the operational and cultural integration of SodaStream  <p>Key Decisions: No change was made to Mr. Scheidtman's total annual compensation in 2019.</p>

2019 COMPENSATION DECISIONS FOR NAMED EXECUTIVE OFFICERS (PAGES 60 TO 66)

https://investors.coca-colacompany.com/filings-reports/proxy-statements/content/0001206774-20-000704/ko_courtesy-pdf.pdf

COMPENSATION Compensation Discussion and Analysis

2019 Compensation Decisions for Named Executive Officers



TALENT AND COMPENSATION COMMITTEE INSIGHTS

The Talent and Compensation Committee is accountable for ensuring that the decisions made about executive compensation are in the best long-term interests of our shareholders. We strive to achieve this through adherence to our compensation philosophy and core principles and by carefully considering feedback received from shareholders to continuously enhance our compensation programs.

The preceding pages of this Compensation Discussion and Analysis describe the steps we took in establishing the 2019 compensation of our Named Executive Officers. Our compensation programs are consistent with our business strategy, effectively link pay and performance, and align executive officers' and shareholders' interests.

We discussed the compensation recommendations with the full Board, and we approved the following final compensation decisions for each of the Named Executive Officers.

James Quincey Chairman of the Board and Chief Executive Officer



KEY RESPONSIBILITIES

In Mr. Quincey's role as Chief Executive Officer, he was responsible for providing overall vision and strategy for the Company. Mr. Quincey was appointed Chairman of the Board following the 2019 Annual Meeting. In his Chairman's role as Chairman of the Board, he was responsible for consulting with and advising the Board on the business affairs of the Company, presiding over meetings of the Board and representing the Company to multiple stakeholders.

2019 COMPENSATION (MILLIONS)



2019 SCORECARD HIGHLIGHTS



- Leadership**
 - Appointed Chairman of the Board in April 2019, worked closely with the Lead Independent Director on several key Board initiatives, including analyzing, reviewing and reorganizing the responsibilities for the Board's committees.
 - Introduced new Company purpose that serves as guidance and direction for long-term business growth and culture.
 - Chaired the continued development of the senior leadership team, including naming a new Chief People Officer and Chief Marketing Officer.
 - Launched quarterly leader awards to continue strengthening system health.
 - Actively engaged with key external stakeholders, including numerous high-level government officials.
 - drove innovation for PET recycling through the Company's pilot of bottles made using recycled and recycled bottle plastics.
 - Served as co-chair of the World's Leading Food and Beverage Companies Forum, a global industry forum, and as a member of the Consumer Goods Forum and leading member of the UN Global Compact, which provides a platform for the industry to address social and environmental issues.



- Operational**
 - Continued to lead the growth of the Company's total portfolio, resulting in the largest value share gains in almost a decade.
 - Expanded the Company's product portfolio through a strategy of filling, shifting and scaling brands across the world with strong global growth in categories, which launched in eight additional markets in 2019, and scaled the business beyond its regional markets of Europe, with a launch in Japan in 2019.
 - Drove growth in sparkling water sales, while reducing sugar, which resulted in, on a combined basis, 20% unit volume growth for Coca-Cola Zero Sugar and Coca-Cola Zero Sugar Refreshers.
 - Launched nearly 400 new and re-launched beverage products globally.



- People and Culture**
 - Continued to drive the Company's cultural shift toward an emphasis on engagement, diversity, inclusion and equity.
 - Launched Leadership for Growth, a new program for leaders across the Company, advancing a leadership framework to develop a more connected and networked organization.
 - Demonstrated a continued focus on developing women and diverse talent for leadership roles.
 - Championed significant investment in leadership training.

60 The Coca-Cola Company

COMPENSATION DECISIONS



John Murphy Executive Vice President and Chief Financial Officer



KEY RESPONSIBILITIES

Mr. Murphy served as Deputy Chief Financial Officer from January 1 to March 5, 2019, during which he worked with Mr. Waller to ensure a smooth transition of the Chief Financial Officer role. Effective March 16, 2019, Mr. Murphy assumed the role of Executive Vice President and Chief Financial Officer. In this role, he was responsible for leading the Company's global finance organization, including mergers and acquisitions, treasury, risk, tax, accounting and controls, financial reporting, real estate, and risk management.

2019 COMPENSATION (MILLIONS)



2019 SCORECARD HIGHLIGHTS



- Leadership**
 - Drove high standards of excellence in financial reporting and analysis, governance and controls, value creation and stewardship of the Company's assets.
 - Provided leadership and direction for business planning and forecasting, along with strategies regarding capital allocation and cash management.
 - Facilitated strong stakeholder relationships by representing the Company during engagements with investors, lenders and other key stakeholders, including meetings with institutions and individuals representing nearly 90% of the Company's active institutional ownership.
 - Partnered with the CEO to set top-quarter performance and growth objectives for the Company and led communications and messaging about such objectives across the Company.
 - Represented the Company with media and local community stakeholders, supported the Company's philanthropic initiatives through board service on The Coca-Cola Foundation, and served on the board of directors for Coca-Cola FEMSA.



- Operational**
 - Led the creation and launch of a cohesive investment allocation process to further optimize global resources.
 - Maintained strong focus on balance sheet optimization and implemented programs to offset certain key assets.
 - Pursued the Company's digitalization efforts by supporting updates to the Company's Enterprise Resource Planning software and systems, as well as launching a global digital marketing for associates to drive accomplishments.
 - Increased agility with continued focus on simplification of policies, financial tools and other growth-focused initiatives.



- People and Culture**
 - Continued strong people and leadership development across the Company, with a focus on developing and retaining talented external talent with specialized skills and on launching talent initiatives to deliver future on development and succession plans for the Company.

COMPENSATION DECISIONS



BASE SALARY
Effective January 1, 2019, when Mr. Murphy assumed responsibilities for the new role, his base salary was increased 45.5% to \$800,000.

ANNUAL INCENTIVE:
\$1,500,000, composed of \$1,000,000 from applying his Business Performance Factor under the plan formula and \$500,000 for individual performance (see page 70). The 2019 annual highlights were considered in determining the individual Performance Award.

LONG-TERM INCENTIVE:
\$4,000,000, composed of \$3,000,000 from applying his Business Performance Factor under the plan formula and \$1,000,000 for individual performance (see page 70). The 2019 annual highlights were considered in determining the individual Performance Award.

COMPENSATION Compensation Discussion and Analysis

Kathy N. Waller Former Executive Vice President and Chief Financial Officer



KEY RESPONSIBILITIES

Ms. Waller served as Executive Vice President and Chief Financial Officer until March 5, 2019, when she retired from the Company. Her primary responsibility in this role was supporting the transition of the leadership of the global finance organization to Mr. Murphy.

2019 COMPENSATION (MILLIONS)



2019 SCORECARD HIGHLIGHTS



- Leadership**
 - Drove high standards of excellence in financial reporting and analysis, governance and controls, value creation and stewardship of the Company's assets.
 - Provided leadership and direction for 2019 business strategies regarding capital allocation and cash management in conjunction with the Chief Financial Officer transition.



- Operational**
 - Provided support and guidance for 2019 financial plans, including initiatives to transition the Company's Enterprise Resource Planning software and related systems.



- People and Culture**
 - Successfully transitioned the Chief Financial Officer role to Mr. Murphy and led a succession program to ensure continuity of high performance and governance standards with senior finance leaders.
 - Demonstrated continued focus on developing women and diverse talent for leadership roles and continued to mentor and support the Women's Leadership Council, the Multi-Cultural Council and multiple business resource groups across the Company.

COMPENSATION DECISIONS



BASE SALARY:
Ms. Waller retired effective March 5, 2019. She did not receive any adjustments to her base salary in 2019.

ANNUAL INCENTIVE:
\$250,000 determined by applying her Business Performance Factor under the plan formula, and provided for time spent for position.

LONG-TERM INCENTIVE:
Ms. Waller did not receive a long-term incentive grant in 2019.

Manuel Arroyo President, Asia Pacific Group



KEY RESPONSIBILITIES
In Mr. Arroyo's role as President of the Asia Pacific Group for 2019, he was responsible for overseeing the Company's operations in 32 countries and leading a team of approximately 1,000 employees. In 2019, Mr. Arroyo was also responsible for leading SBC, which includes all Company-owned or consolidated bottling operations, regardless of geographic location. In his role leading SBC, he managed a team of approximately 42,000 employees.

2019 SCORECARD HIGHLIGHTS

Leadership

- Led the operations of five business units: Greater China & Korea, Japan, Association of Southeast Asian Nations (ASEAN), India & Southeast Asia and South Pacific.
- Drove the process to further refine revenue growth management capabilities into business units across the Asia Pacific Group.
- Advanced the vision for Company-owned (bottle value creation potential), including through the refinancing of Company-owned operations in Northern India.
- Drove the Asia Pacific Group's implementation of digital transformation around economics, ESG, marketing, and data and analytics.
- Appointed Chief Marketing Officer effective January 1, 2020.

Operational

- Increased consumer base, in part due to digital campaigns, and added 1.6 million new customer outlets across Asia, led by China and India.
- Drove innovation through more than 300 new product launches, including Coca-Cola Energy in Japan and Coca-Cola reduced sugar across multiple markets throughout the Asia Pacific Group.
- Led the Asia Pacific Group's contribution of the Company's World Without Waste initiative, which included moving all single serve PET bottles in Australia to 100% recycled plastic.

People and Culture

- Increased employee engagement across the Asia Pacific Group, including significant improvements in both the India & Southeast Asia and ASEAN business units.
- Increased diversity among senior leadership in the Asia Pacific Group.
- Developed talent and succession plans, including cross-system talent exchange with key bottlers, to foster employee development and drive system alignment.



COMPENSATION DECISIONS

BASE SALARY
Effective January 1, 2019, when Mr. Arroyo assumed responsibilities of President, Asia Pacific Group, his base salary was increased 14% to \$175,000. His base salary was subsequently increased, effective April 1, 2019, by 14.0% to \$198,500 to align his salary to the competitive market.

ANNUAL INCENTIVE
\$125,000 from applying his Business Performance Factor under the plan formula and \$100,000 for individual performance (see page 10). The 2019 award highlights were consistent in determining the Individual Performance Award.

LONG-TERM INCENTIVE
Mr. Arroyo received a long-term incentive grant in February 2019 valued at \$1,000,000, split into 210 performance share units and 70 stock options.

COMPENSATION Discussion and Analysis

James L. Dinkins President, Coca-Cola North America



KEY RESPONSIBILITIES
In Mr. Dinkins' role as President, Coca-Cola North America, he was responsible for overseeing the Company's operations throughout the United States, U.S. territories and Canada. He provided franchise leadership to approximately 70 bottlers throughout North America and led a team of approximately 8,000 employees.

2019 SCORECARD HIGHLIGHTS

Leadership

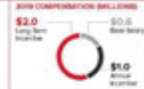
- Led the operations of five business units: USA Bottling & Marketing, USA NBE, USA Mosaic Mkt, USA Foodservice & On-Premise, and Canada.
- Represented commercial plant quality and readiness and regional bottler confidence in aligned 2019 business plans that led to successful marketplace execution.
- Both national awareness of the Company's "choice for us" which highlights the Company's product portfolio in the United States and the commitment to retail and strengthen U.S. communities, driving improvement across key social sectors of trust, sustainability and consumption.
- Partnered with partners and major competitors to launch the "Taste Better Back" program, with a focus on improving safety, processing and collection in areas with the highest risk to help increase the amount of recycled plastic available to be made into beverage bottles in the United States.
- Advanced long-term strategic marketing investment for U.S. supply chain.
- Represented the Company on the boards for the American Beverage Association, the Grocery Manufacturers Association and the Food Marketing Institute/Trade Association.

Operational

- Led the launch of successful marketplace innovations throughout North America, including Coca-Cola Orange Vanilla, Sprite (previously, vitaminwater) and other new products, single-serve cans and single-serve bottles.
- Drove Coca-Cola North America's digital transformation through the establishment of a digital innovation office, with responsibility for all relevant system digital content.
- Executed customer retention and acquisition targets for the USA Foodservice & On-Premise business unit.

People and Culture

- Developed talent and succession plans for senior leaders with an emphasis on female and multicultural executives.
- Increased diversity among senior leadership in Coca-Cola North America, with over 50% of team consisting of women and multicultural leaders.
- Implemented a new annual culture plan, which drove improved engagement across Coca-Cola North America.



COMPENSATION DECISIONS

BASE SALARY
Effective April 1, 2019, Mr. Dinkins' base salary was increased 8.0% to \$194,000 to align his salary to the competitive market.

ANNUAL INCENTIVE
\$150,000, comprised of \$100,000 from applying his Business Performance Factor under the plan formula and \$50,000 for individual performance (see page 10). The 2019 award highlights were consistent in determining the Individual Performance Award.

LONG-TERM INCENTIVE
Mr. Dinkins received a long-term incentive grant in February 2019 valued at \$1,000,000, split into 210 performance share units and 70 stock options.

Brian J. Smith President and Chief Operating Officer



KEY RESPONSIBILITIES
In Mr. Smith's role as President and Chief Operating Officer, he oversees the Company's global operations, including the Company's vision as a total beverage company was established within the organization. He provided franchise leadership across the Company's four geographic operating regions, including 27 business units, and approximately 225 bottling partners, as well as the Global Bottlers Group, which is responsible for key transactions, including costs, investment and divestitures.

2019 SCORECARD HIGHLIGHTS

Leadership

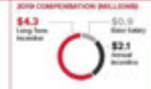
- Led the effort to extend revenue growth management capabilities across 15 additional markets in 2019.
- Drove the continued development of operations leadership, as well as the appointment of U.S. leadership.
- Continued strong bottle alignment on quality and regional investments, through focused top-to-top marketing meetings, as well as larger system-wide engagements.
- Continued World Without Waste as a key priority for business unit leaders and supported a global campaign to accelerate delivery of goals.

Operational

- Strengthened the Company's competitive position by getting value share in total ready-to-drink beverages.
- Gave the portfolio through focused focus on recruitment and consumer-centric innovations, such as Coca-Cola Energy, Sprite (previously, vitaminwater) and other new products, single-serve cans and single-serve bottles.
- Drove the successful integration and accelerated growth of the Coca-Cola and CNY acquisitions.

People and Culture

- Drove the continued focus on senior leadership, including appointing three new group presidents and four new business unit presidents.
- Led cultural change efforts in enhancing the Company's growth behaviors and growth mindset, resulting in improvements in team growth behaviors and sustainable engagement across all four geographic operating regions.
- Developed succession plan framework for business unit presidents and leading partner leadership.



COMPENSATION DECISIONS

BASE SALARY
Effective January 1, 2019, when Mr. Smith assumed responsibilities for the President and Chief Operating Officer role, his base salary was increased 30.0% to \$450,000.

ANNUAL INCENTIVE
\$2,100,000, comprised of \$1,050,000 from applying his Business Performance Factor under the plan formula and \$1,050,000 for individual performance (see page 10). The 2019 award highlights were consistent in determining the Individual Performance Award.

LONG-TERM INCENTIVE
Mr. Smith received a long-term incentive grant in February 2019 valued at \$4,300,000, split into 210 performance share units and 70 stock options.

COMPENSATION BY NEO (PAGES 40 TO 45)

https://cognizant.q4cdn.com/123993165/files/flipping_book/proxy_statement/files/assets/common/downloads/2020%20Proxy%20Statement.pdf

Brian Humphries
CEO

Age 48
Education
B.A., University of Illinois,
Northwestern
Cognizant Tenure 1 year

Key Responsibilities and Career Highlights
Mr. Humphries joined Cognizant as our CEO on April 1, 2019. In his role as CEO, Brian sets the company's strategic direction, provides the company's client-first culture and focuses on ensuring the company's sustainable growth and strong long-term shareholder value. Prior to joining Cognizant, he was CEO of Vodafone Business where he was responsible for the strategy, solution development, sales, marketing partnerships and commercial and financial success of Vodafone Business, a division of Vodafone Group, one of the world's largest telecommunications companies. Vodafone Business accounted for nearly a third of Vodafone Group's service revenue, with approximately €12 billion in sales globally during Mr. Humphries' tenure as CEO. Prior to Vodafone, Mr. Humphries held a variety of executive roles at technology companies Dell Technologies and Hewlett-Packard.

Committee Assessment and Target Direct Compensation
Mr. Humphries was selected by the board to serve as the company's CEO based on his extensive experience as a senior executive in the technology sector. In connection with his appointment as CEO, the company entered into an offer letter with Mr. Humphries on November 30, 2018 (the "Offer Letter") and subsequently entered into an Executive Employment and Non-Disclosure, Non-Competition, and Invention Assignment Agreement on April 1, 2019 (such employment agreement, Mr. Humphries' "Employment Agreement"). Pursuant to which Mr. Humphries agreed to serve as the company's CEO. The Compensation Committee reviewed and approved the compensation arrangements set forth in the Offer Letter and Mr. Humphries' Employment Agreement after considering compensation information provided by Pay Governance for CEOs in the company's peer group and other information on compensation arrangements for new CEOs.

The committee approved, and Mr. Humphries' Employment Agreement provided for (by way of reference to the Offer Letter, as applicable), target direct compensation consisting of the following: (i) base salary of \$800,000 (increased to \$920,000 for 2019, \$4 AC of 2019 of base salary (\$120,000, increased to \$120,000 for 2019) and (ii) full value equity awards with a grant date value of \$8,000,000. For 2019, the full value equity awards consist entirely of the 2019 - 2020 CEO PSU as described on page 36. For 2019, the full value equity awards are expected to consist of PSUs (30%) and RSUs (70%) on terms consistent with the annual equity awards to be provided in 2020 to other executive officers of the company as described on pages 34 to 36. In addition, Mr. Humphries was entitled to certain buy-out awards in 2019: (i) an equity buy-out award consisting of \$3,000,000 in RSUs and (ii) a cash sign-on bonus of \$4,000,000, of which Mr. Humphries was required to utilize \$1,000,000 of the offer letter amount to purchase shares of our common stock during our first open trading window after April 1, 2019. The buy-out awards in 2019 were intended to compensate Mr. Humphries for long-term compensation at Vodafone that he forfeited upon joining Cognizant and were not considered part of his target direct compensation. Overall, the compensation arrangement for Mr. Humphries, including the buy-out awards, was set at an overall level competitive with the compensation of similarly positioned executives in the technology sector.

(in thousands)

	Base Salary	AC	PSUs	RSUs
Target Direct Compensation 2019	\$920	\$120	\$8,000	\$0

SEC Compensation
In 2019, Mr. Humphries' SEC compensation was significantly higher than his target direct compensation buy-out awards (\$3,000,000 in RSUs and \$4,000,000 sign-on bonus, both included in "Other" (see page 36) achievement being 42.8% of target. The grant date value of the PSUs included in SEC compensation, all in accordance with applicable accounting rules as an award with a "market condition" due to the inclusion effect of the market condition results in a discount relative to the fair value of an award without a market condition.

(in thousands)

	Base Salary	AC	PSUs	RSUs	Other
SEC Compensation 2019	\$920	\$120	\$8,000	\$0	\$4,000

Realized Compensation
In 2019, Mr. Humphries' realized compensation was substantially lower than his target direct compensation made in 2019 all-in and future periods. His realized compensation consisted primarily of his base and quarterly vestings of RSUs from his buy-out award and the \$4,000,000 sign-on bonus (the latter two in 2019).

(in thousands)

	Base Salary	AC	PSUs	RSUs	Other
Realized Compensation 2019	\$920	\$120	\$0	\$0	\$0

Certain numbers shown in the graphs above were converted to USD based on a 1:1 \$/£ exchange rate, year 2019.

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Francisco D'Souza
Former CEO

Age 51
Education
B.S.A., University of Miami
H.B.A., Carnegie Mellon University
Cognizant Tenure 28 years
Public Company Board
General Electric Company (GE)

Key Responsibilities and Career Highlights
Mr. D'Souza co-founded Cognizant in 1994 and served as the company's CEO from 2007 through March 30, 2019 and as an advisor to the company through June 30, 2019.

Committee Assessment and Target Direct Compensation
On February 1, 2019, Mr. D'Souza and the company entered into an amendment to his Amended and Restated Executive Employment and Non-Disclosure, Non-Competition, and Invention Assignment Agreement (such employment agreement, Mr. D'Souza's "Employment Agreement") and such amendment, the "Transition Agreement"). The Compensation Committee considered the Transition Agreement with the assistance of Pay Governance and approved it as in the best interests of the company in light of Mr. D'Souza's long and highly successful tenure with the company and the desire to ensure a smooth CEO transition.

Pursuant to the Transition Agreement, Mr. D'Souza received during 2019: (i) \$375,000 in base salary and a cash bonus of \$750,000 (included in "Other" (see page 36) below) for the six months of 2019 during which he remained employed by the company; (ii) RSUs with a grant date value of \$4,000,000 of which 20% vested on March 30, 2019 and 75% vested on June 30, 2019; and (iii) vesting of all of his outstanding unvested equity awards other than the 2018/19 PSUs granted to him in 2018 (with a performance period through the end of 2019), which continued to be subject to satisfaction of the applicable performance-vesting criteria. Mr. D'Souza received no shares from the 2018/19 PSUs since the overall achievement was determined by the Compensation Committee to be 0% (see page 37). The Compensation Committee determined that such acceleration of unvested equity was appropriate given Mr. D'Souza's long and highly successful tenure and the retirement policy for 10% employees under consideration at the time (see page 46) for the retirement policy adopted in March 2020.

(in thousands)

	Base Salary	AC	PSUs	RSUs	Other
Target Direct Compensation 2019	\$375	\$0	\$4,000	\$0	\$750

SEC Compensation
In 2019, Mr. D'Souza's SEC compensation was substantially higher than his target direct compensation primarily due to the inclusion per SEC rules of \$2,021,575 of incremental modification date fair value of PSUs and RSUs that were previously granted to Mr. D'Souza and modified by the Transition Agreement to vest on June 30, 2019, earlier than originally scheduled, resulting in inclusion of additional incremental value based on a determination that such awards would probably vest as a result of the modification versus it being improbable that they would vest without the modification. Specifically, the accelerated equity vesting provided in the Transition Agreement resulted in the following additional amounts: (a) PSUs, \$8,945,000 (included in "Other" (see page 36) below) from the modification of 2017/18 PSUs granted in 2017 (\$2,844,945) and 2018/19 PSUs granted in 2018 (\$6,099,995); and (b) RSUs, \$3,076,482 (included in "Other" (see page 36) below) from the modification of RSUs granted in 2017 (\$2,099,905) and RSUs granted in 2018 (\$976,577). In 2019, Mr. D'Souza's SEC compensation was slightly lower than his target direct compensation due to the actual 2018 AC achievement being 87.7% of target.

(in thousands)

	Base Salary	AC	PSUs	RSUs	Other
SEC Compensation 2019	\$375	\$0	\$4,000	\$0	\$10,021,575

Realized Compensation
Mr. D'Souza's realized compensation was substantially higher than his target direct compensation primarily due to the following: (a) the vesting of 2018/19 PSUs on January 1, 2019 (\$4,706,454) on June 30, 2019 pursuant to the Transition Agreement (\$3,076,482) (included in "Other" (see page 36) below); and (b) the vesting of RSUs before June 30, 2019 that had been granted prior to 2019 (b) outstanding RSUs pursuant to the Transition Agreement (\$2,874,144) (included in "Other" (see page 36) below). As included in "Other" the amount of his director compensation that he received once he received it (included in "Other" (see page 36) below). In 2019, this was due to his exercise during 2018 of stock options granted additional compensation included in "Other" (see page 36) below). Other differences in 2019 were group target and differences in equity vestings (including as a result of PSU achievement) versus equity.

(in thousands)

	Base Salary	AC	PSUs	RSUs	Other
Realized Compensation 2019	\$375	\$0	\$4,000	\$0	\$10,021,575

Karen McLoughlin
CFO

Age 46
Education
B.A., Wellesley College
M.B.A., Columbia University
Cognizant Tenure 18 years
Public Company Board
Bell Bay Co., Inc. (BBV)

Key Responsibilities and Career Highlights
Ms. McLoughlin oversees the company's worldwide financial planning and analysis, accounting, controlling, tax, treasury and financial audit functions. Other areas under her purview include our corporate development, investor relations, enterprise risk management, procurement and real estate functions. Prior to joining Cognizant in 2003, Ms. McLoughlin held key financial management positions with Spheron Corp. and Ryder System Inc. She began her career with Price Waterhouse (now PricewaterhouseCoopers LLP).

Committee Assessment and Target Direct Compensation
The Compensation Committee, in its meeting in February 2019, evaluated Ms. McLoughlin's performance during 2018 and prior years and the compensation information provided by Pay Governance for CFOs in the company's peer group. The committee considered Ms. McLoughlin's continued strong performance as CFO in 2018, the company's continued growth and the compensation information for CFOs in the peer group for 2019 (see "Peer Group" on page 38).

Based on these considerations, the committee determined that Ms. McLoughlin's target direct compensation for 2019 should be increased to \$3,300,000 (a 1% increase vs. 2018) to reflect continued performance and general market trends.

The specific components of Ms. McLoughlin's 2019 target direct compensation were as follows: (i) base salary of \$750,000 (a 1% increase vs. 2018), (ii) AC target of 1% base salary (\$750,000, a 1% increase vs. 2018), (iii) PSUs of \$2,300,000 (a 1% increase vs. 2018) and (iv) RSUs of \$2,000,000 (a 1% increase vs. 2018) primarily due to her receiving in mid-2018 an additional RSU retention grant during the period during which the company attributes a reward for a new CEO.

(in thousands)

	Base Salary	AC	PSUs	RSUs	Other
Target Direct Compensation 2019	\$750	\$750	\$2,300	\$2,000	\$0

SEC Compensation
In both 2018 and 2019, Ms. McLoughlin's SEC compensation was lower than her target direct compensation due to the actual AC achievement for each year being less than target (87.7% of target in 2018 and 42.8% of target in 2019).

(in thousands)

	Base Salary	AC	PSUs	RSUs	Other
SEC Compensation 2019	\$750	\$750	\$2,300	\$2,000	\$0

Realized Compensation
Ms. McLoughlin's realized compensation was lower than her target direct compensation in both 2018 and 2019 due to the actual achievement of AC versus target and differences in equity vestings versus equity grant date fair value during the years. In 2018, this lower value was primarily offset by her exercise during 2018 of stock options granted to her in 2008, which resulted in \$42,989 in additional consideration in 2018 included in "Other" (see page 36) below).

(in thousands)

	Base Salary	AC	PSUs	RSUs	Other
Realized Compensation 2019	\$750	\$750	\$2,300	\$2,000	\$42,989

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Malcolm Frank

Executive Vice President and President, Cognizant Digital Business

Age 54
Education
B.A., Yale University
Cognizant Tenure 14 years
Public Company Boards
Facility Research Systems Inc. (FDS)



Key Responsibilities and Career Highlights

Mr. Frank became our Executive Vice President and President, Cognizant Digital Business in May 2019. In this role, Mr. Frank is responsible for overseeing our digital business practice. This includes digital strategy, artificial intelligence (AI) and analytics, interactive, digital engineering and internet of things (IoT). Prior to his current role, Mr. Frank was our Executive Vice President, Chief Strategy Officer and Chief Marketing Officer. He joined Cognizant in 2005 and has deep understanding of the digital economy – across sales, organizations and marketplace – and ability to see around technology's right corners have been key factors in Cognizant's continued growth and ability to address clients' ever-changing business needs.

Committee Assessment and Target Direct Compensation

The Compensation Committee, at its meeting in February 2019, evaluated Mr. Frank's performance during 2018 and prior years and compensation information provided by Pay Governance for executives with similar responsibilities based on peer and industry-appropriate market data. The committee considered Mr. Frank's continued strong performance in 2018, his importance in determining company strategy as it makes the shift to digital and the compensation information for executives at other companies with similar responsibilities. Based on these considerations, the committee determined that Mr. Frank's target direct compensation for 2019 should be increased to \$4,800,000 (7% increase vs. 2018) to reflect continued performance and general market trends.

The specific components of Mr. Frank's 2019 target direct compensation were as follows: (i) base salary of \$1,400,000 (3% increase vs. 2018), (ii) ACI target of \$1,400,000 (a 2% increase vs. 2018), (iii) PSU of \$1,900,000 (2% increase vs. 2018) and (iv) RSUs of \$1,400,000 (7% decrease vs. 2018 primarily due to his receiving in mid-2018 an additional RSU retention grant during the period during which the company undertook a search for a new CEO).



SEC Compensation

In both 2018 and 2019, Mr. Frank's SEC compensation was lower than his target direct compensation due to the actual ACI achievement for each year being less than target (87% of target in 2018 and 42.8% of target in 2019).



Realized Compensation

Mr. Frank's realized compensation was lower than his target direct compensation in both 2018 and 2019 due to the actual ACI achievement for each year being less than target (87% of target in 2018 and 42.8% of target in 2019).



Dharmendra Kumar (DK) Sinha

Executive Vice President and President, North America

Age 57
Education
B.S., Penn State College in Harrisburg
M.B.A., Birla Institute of Technology, Varanasi, India
Cognizant Tenure 23 years



Key Responsibilities and Career Highlights

Mr. Sinha became our Executive Vice President and President, North America in June 2019. In this role, he is responsible for our North American strategy, including verticals, sales, delivery and vertical operations. Prior to this role, he was our President, Global Client Services and managed Cognizant's global go-to-market team, which included sales, field marketing, the strategic partnership group and the strategic engagement and advisory relationships group. He joined Cognizant in 1997 and has served in a variety of client-facing roles.

Committee Assessment and Target Direct Compensation

The Compensation Committee, at its meeting in February 2019, considered Mr. Sinha's strong performance during 2018 and prior years and compensation information provided by Pay Governance for executives with similar responsibilities in the company's peer group. Based on these considerations, the committee determined that Mr. Sinha's target direct compensation for 2019 should be increased to \$3,700,000 (9% increase vs. 2018) to reflect continued performance and general market trends.

The specific components of Mr. Sinha's 2019 target direct compensation were as follows: (i) base salary of \$1,400,000 (3% increase vs. 2018), (ii) ACI target of \$1,400,000 (a 3% increase vs. 2018), (iii) PSU of \$800,000 (10% increase vs. 2018) and (iv) RSUs of \$1,100,000 (7% decrease vs. 2018).



SEC Compensation

In both 2018 and 2019, Mr. Sinha's SEC compensation differed from his target direct compensation in part due to the timing of his multiple once-in-three-years RSU grants while his SEC compensation is determined on the basis of the grant date fair value of the RSU grants he received in the respective year. The committee set his target direct compensation using the grant date fair value of the portions of the RSU awards that were targeted to vest in the applicable year. In addition, in both 2018 and 2019, his SEC compensation with respect to the ACI component of compensation differed as a result of the actual ACI achievement for each year being less than target (87% of target in 2018 and 42.8% of target in 2019).



Realized Compensation

Mr. Sinha's realized compensation was lower than his target direct compensation in both 2018 and 2019 due to the actual achievement of ACI versus target and differences in equity vestings versus equity grant date fair values during the years.



Santosh Thomas

Executive Vice President and President, Global Growth Markets

Age 52
Education
B.A., Engineering, K.J. Somaiya Institute of Engineering and Information Technology, Mumbai, India
Postgraduate Diploma, Business Management, Xavier School of Management, India
Cognizant Tenure 21 years



Key Responsibilities and Career Highlights

Mr. Thomas served as our Executive Vice President and President, Global Growth Markets, which comprise Europe, Asia-Pacific, Middle East and Latin America, through February 14, 2020. In this role, he has been the company's market strategies and day-to-day operations, which included managing client relationships, sales, profit and loss, and responsible delivery among other responsibilities. Prior to that role, he served as our Head, Growth Markets from 2017 to 2019. He joined Cognizant in 1997 and held various other senior leadership roles including leading Continental European operations and various roles in client relationships and market development in North America. Prior to joining Cognizant in 1997, Mr. Thomas worked with Infosys and HCL, Hyderabad, India.

Committee Assessment and Target Direct Compensation

The Compensation Committee, at its meeting in February 2019, considered Mr. Thomas' strong performance during 2018 and prior years and compensation information provided by Pay Governance for executives with similar responsibilities in the company's peer group. Based on these considerations, the committee determined that Mr. Thomas' target direct compensation for 2019 should be increased to \$4,050,000 to reflect continued performance and general market trends. The specific components of Mr. Thomas' 2019 target direct compensation were as follows: (i) base salary of \$1,400,000, (ii) ACI target of \$1,400,000, (iii) PSU of \$1,400,000 and (iv) RSUs of \$1,450,000.



SEC Compensation

In 2018, Mr. Thomas' SEC compensation differed from his target direct compensation in part due to the timing of his multiple once-in-three-years RSU grants while his SEC compensation is determined on the basis of the grant date fair value of the RSU grants he received in 2019. The committee set his target direct compensation using the grant date fair value of the portions of the RSU awards that were targeted to vest in 2019. In addition, his SEC compensation with respect to the ACI component of compensation differed as a result of the actual ACI achievement being 42.8% of target.



Realized Compensation

Mr. Thomas' realized compensation was lower than his target direct compensation in 2019 due to the actual achievement of ACI versus target and differences in equity vestings versus equity grant date fair values during the year.



Certain numbers shown in the graphs above were converted to USD based on a €1 = \$1.12 exchange ratio, the twelve-month average for fiscal year 2019. Under applicable SEC rules, we have excluded Mr. Thomas' compensation for 2018 as he was not an NEO during that year.

Compensation Actions for 2019

Aligning CEO Pay with Investor Expectations

Larry Culp

CHAIRMAN
& CEO



Age: 56
Education: Washington
College, MBA, Harvard
Business School
GE Tenure: 1 Year

PERFORMANCE ASSESSMENT. As the Chairman & CEO, Mr. Culp plays a central role in shaping the company's strategy, establishing the framework against which performance is measured, and delivering on that performance. In setting Mr. Culp's compensation, the Compensation Committee recognized that he made a significant step forward in GE's multi-year transformation. Performance results exceeded external guidance and GE's stock appreciated over 50% during 2019. Mr. Culp has improved GE's financial position, significantly reducing GE's industrial leverage. He has made progress in strengthening the business by instituting a new operating rhythm and adopting a more disciplined approach to managing by employing lean management principles. Mr. Culp has bolstered his leadership team through strategic hiring of external talent in key roles and managing of internal talent. For his strong performance and solid progress during 2019 to lead the company, the committee awarded Mr. Culp a bonus of \$5,600,000.



CEO Pay Structure

- Salary.** Upon his appointment as CEO, Mr. Culp's salary was set at \$2,500,000 under his employment agreement. Compensation Committee took into consideration the fact that Mr. Culp had 14 years of experience as a CEO prior to joining GE and the importance of attracting Mr. Culp to the role. At the time of his appointment in 3 serving as a director since April 2018 and GE's lead director since June 2018.
- Bonus.** Mr. Culp's bonus target is set at 130% of salary. Mr. Culp's bonus target reflects the committee's belief that compensation should be contingent on performance.
- Annual equity awards.** Under the terms of his employment agreement, Mr. Culp was guaranteed an annual PSU, with a grant date fair value of \$15 million beginning in 2018, and to be awarded on the same terms as other senior executives. Mr. Culp was granted a PSU award in March 2019 with a grant date fair value of \$15 million, and the final determination of how many shares will be earned, if any, will be less than the \$15 million for the period from the grant date of March 18, 2019 through December 31, 2022 awarded in March 2020, see "Performance Share Units - 2019 PSU" on page 40.
- 2018 PSU Inducement grant.** As an inducement to Mr. Culp to accept the role as Chairman and CEO in 2018 award of PSUs that will pay out as a number of GE shares if the company's stock price appreciation significantly period between October 1, 2018 and September 30, 2022. Achievement of the performance goal will be at \$12.40, with the number of shares to be delivered based upon the highest average closing price of the common trading days during the performance period, as follows: (i) threshold at \$18.80 (2.1 million shares); (ii) target (50 million shares) at \$15.00 (5 million shares). As of December 31, 2019, the performance criteria for a threshold No shares will be awarded if the threshold 50% appreciation level is not met, and if the 30 consecutive days between the threshold, target and maximum levels, a proportionate number of shares between those two levels will be adjusted to also factor in the performance of any businesses that are spun off to GE investor extraordinary dividends.

Compensation for Our Other Named Executives

Jamie Miller



Age: 51
Education: Miami
University
GE Tenure: 14 Years

CURRENT AND PRIOR ROLES Former Senior Vice President, CFO (November 2017-February 2020); former President & CEO, GE Transportation (2015-2017); former Chief Information Officer, GE (2013-2015); former Controller, GE (2008-2013)

PERFORMANCE ASSESSMENT Ms. Miller played a key role in re-establishing investor credibility through the achievement of GE's financial goals, execution of improved operating rhythm, and significant action to de-lever and reduce financial risk. In addition to her efforts to support the evolution of the company's strategy, she led GE Capital for a portion of 2019, enabling that business to outperform its financial plan. Talent was an additional focus point for Ms. Miller during 2019. She strengthened the Finance organization with a combination of strategic external hires and internal moves, preparing the organization for successful transition to GE's new CFO. Based on her contributions, the committee applied an individual performance factor of 100%.



Kevin Cox



Age: 51
Education: Marshall
University, M.A., Labor
& Industrial Relations,
Michigan State
University
GE Tenure: 1 Year

CURRENT AND PRIOR ROLES Senior Vice President, Chief Human Resources Officer (since February 2019); former Executive Vice President, Human Resources, American Express (1995-2013); former Executive Vice President, Pepsi Bottling Group (2004-2005); Senior Vice President, Chief Personnel Officer, Pepsi Bottling Group (1999-2004); Senior Vice President, Human Resources, Pepsi-Cola Bottling Company (1997-1999)

PERFORMANCE ASSESSMENT During his first year as Chief Human Resources Officer, Mr. Cox was instrumental in establishing a comprehensive plan to support GE's cultural transformation. During 2019, the focus has been the expansion of talent in key leadership roles, the evolution of GE's executive compensation philosophy to increase alignment to strategic initiatives and shareholder value creation, and partnership with the CEO in creating a new culture for GE. In recognition of his strong first year, the committee applied an individual performance factor of 115%.



David Joyce



Age: 53
Education: Michigan
State, M.A. Finance,
Rutger University
GE Tenure: 30 Years

CURRENT AND PRIOR ROLES Vice Chairman, GE and President & CEO, Aviation (since 2008), leader for GE Additive, previously vice president and general manager of commercial engines and held other GM positions within Aviation

PERFORMANCE ASSESSMENT Mr. Joyce delivered a strong year in the face of unforeseen challenges with the grounding of the Boeing 737 MAX and the bankruptcy of several large customers. In his role as Vice Chairman, his leadership has made an impact on re-focusing the mission of the Global Research Center and growing the Aviation business in terms of orders, revenue and market share. Mr. Joyce's 2019 bonus reflects the committee's approval of a base salary increase and an increase to his bonus target in September 2019. Mr. Joyce received a score of 100% for Aviation's business performance and the committee applied an individual performance factor of 100%.



* Certain elements of this PSU award are subject to valuation and reporting in future years.

Russell Stokes



Age: 61
Education: Cleveland
State University
GE Tenure: 23 Years

CURRENT AND PRIOR ROLES Senior Vice President, GE & President and CEO, Power Portfolio (since November 2018); former Senior Vice President, GE & President and CEO, GE Power (2017-2018); former President & CEO, GE Energy Connections (2015-2017); former President & CEO, GE Transportation (2013-2015)

PERFORMANCE ASSESSMENT In his role as CEO of Power Portfolio, Mr. Stokes leads three distinct businesses: Steam, Power Conversion and Healthcare. Each business exceeded the financial targets that were set by the Compensation Committee, but in light of the fact that certain targets were assisted by one-time, non-operational events such as legal settlements, the committee applied negative discretion to the overall score, reducing it from 140% to 115%. Mr. Stokes led the ongoing optimization of operations for each business, including restructuring to allow better focus on customers. In recognition of these business results and the steps he took to meet the Power Portfolio business, the committee applied an individual performance factor of 100%.



Executive Compensation

7 Fiscal 2020 NEO Pay and Performance Summaries

How did our fiscal 2020 performance impact our NEOs' compensation?

Doug McMillon President and CEO

Fiscal 2020 Highlights

In addition to the solid financial performance, during fiscal 2020 Mr. McMillon continued to accelerate Walmart's transformation strategy to seamlessly integrate our retail stores and eCommerce in an omni-channel offering.

- We continued to deliver on our key strategic priorities and saw continued momentum in food and consumables at Walmart U.S., including eCommerce.
- We accelerated innovation in our business to make shopping faster and easier for our customers, with launching Delivery Unlimited from 1,600 locations in the U.S., expanding Same Day Pickup to nearly 3,200 locations, and launching free NextDay delivery from Walmart.com.
- We continued to make investments in our associates, bringing our average hourly total compensation and benefits to more than \$8 in the U.S. and continuing to invest in training and education, which has led to reduced turnover and higher customer satisfaction.

Fiscal 2020 Target TDC \$20.7 million

Fiscal 2020 Incentive Targets

Annual cash incentive. As our CEO, Mr. McMillon's annual cash incentive is based on the total company operating income and sales performance, as calculated for incentive plan purposes and as described above on page 57.



Key Compensation Decisions for Fiscal 2020

The CRDC relies on the factors described on page 48 in establishing the target TDC of Mr. McMillon and our other NEOs. After considering these factors, the CRDC made no changes to Mr. McMillon's target TDC for fiscal 2020. When compared to similar positions within our peer-group companies, Mr. McMillon's fiscal 2020 target TDC was at approximately the 72nd percentile.

Substantial Stock Ownership

Mr. McMillon is significantly invested in stock, owning Shares valued at approximately \$1.5 million, well in excess of our guidelines requirement of 7 times his as-in-the-money target TDC. Mr. McMillon's significant investment in stock aligns his interests with those of our shareholders.

Executive Compensation

Brett Biggs EVP and CFO

Fiscal 2020 Highlights

- Mr. Biggs' integrated financial framework, business perspective, and guidance has continued to help Walmart build trust with customers, investors, and other stakeholders.
- We maintained consistent working capital discipline in the context of portfolio optimization, continued key strategic investments, and our ongoing transformation.
- We generated \$25.7 billion in operating cash flow.
- We returned \$18 billion to shareholders in the form of dividends and share repurchases.

Fiscal 2020 Target TDC \$8.3 million

Fiscal 2020 Incentive Targets

Annual cash incentive. As our CFO, Mr. Biggs' annual cash incentive is based on the total company operating income and sales performance, as calculated for incentive plan purposes and as described above on page 57.



Key Compensation Decisions for Fiscal 2020

The CRDC relies on the factors described on page 48 in establishing the target TDC of our NEOs. For fiscal 2020, the CRDC increased Mr. Biggs' salary by 2.0% and increased his target annual equity grant to approximately 20,000 Shares. Mr. Biggs' target TDC for fiscal 2020, as determined by the CRDC, was at approximately the 72nd percentile.

Executive Compensation

Suresh Kumar Global Chief Technology Officer and Chief Development Officer

Fiscal 2020 Highlights

- Mr. Kumar joined Walmart as a newly created role on July 8, 2019.
- Developed a long-range plan for a modernized technology stack.
- Formulated Walmart's enterprise-wide data and analytics strategy.
- Developed a talent plan to attract and retain key technology talent.

Fiscal 2020 Target TDC \$11.5 million

Fiscal 2020 Incentive Targets

Annual cash incentive. Mr. Kumar's annual cash incentive is based on the total company operating income and sales performance, as calculated for incentive plan purposes and as described above on page 57. Mr. Kumar's fiscal 2020 incentive payment was prorated based on his start date with the company.



Additionally, as in our customary practice for newly hired officers, Mr. Kumar received an additional performance equity grant for fiscal 2020. This additional grant was based on the same fiscal 2020 performance goals as the annual cash incentive, and was paid out in March 2020. Mr. Kumar received a payment of 10,000 Shares upon the vesting of this award.

Key Compensation Decisions for Fiscal 2020

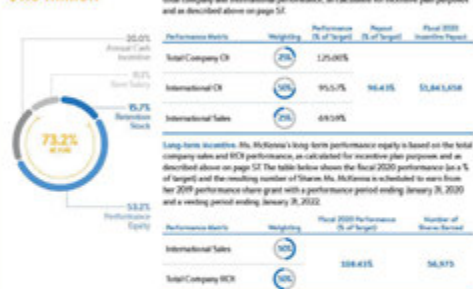
Fiscal 2020 was Mr. Kumar's first period of performance as he was hired in July 2019. In addition to the TDC components described above, Mr. Kumar also received a sign-on bonus of \$1.5 million which was intended to replace equity forfeited when Mr. Kumar left his former employer. This sign-on bonus is scheduled to vest in three equal installments based on continued employment. Mr. Kumar also received a special performance-based restricted stock award of 10,000 Shares. Based on an assessment of qualitative goals related to technology modernization, building a best-in-class technology organization, enterprise technology risk management, and developing an enterprise-wide data and analytics strategy, the CRDC believes these special awards were appropriate based on Mr. Kumar's role, experience, and peer companies, and necessary to recruit a Global Chief Technology Officer of Mr. Kumar's caliber. Based on its consideration of the achievements outlined above under "Fiscal 2020 Highlights" above, the CRDC determined that the qualitative goals applicable to the first installment of Mr. Kumar's special performance-based restricted stock award were satisfied.

Judith McKenna EVP, President and CEO, Walmart International

Fiscal 2020 Highlights

- Overall constant currency sales growth of 2.8% in a rapidly evolving global retail environment.
- Continued strength in key markets including Russia, China, and India.
- Expanded grocery pickup and delivery to additional markets and grew e-commerce sales to 40% of total Walmart International sales.
- Operated with discipline and leveraged expertise as we continue to reshape and optimize our portfolio.

Fiscal 2020 Target TDC \$9.6 million



Additionally, as is our customary practice for officers promoted to positions of significant two-year cycles following promotion, Ms. McKenna received an additional performance grant was intended to allow Ms. McKenna to realize a performance equity payment for the performance equity cycle already in progress. This additional grant was based on the annual performance equity award described above, and paid out in March 2020. Ms. McKenna received the award.

Key Compensation Decisions for Fiscal 2020

For Fiscal 2020, the CRMC increased Ms. McKenna's salary by 2.5%, in light of her year performance. The base salary increase resulted in an approximately 0.8% increase in the January 2020, the CRMC awarded Ms. McKenna a retention stock award valued at \$1 as to the 2019 and 2020. The CRMC believes that Ms. McKenna, as the head of our International operations, is a key executive within our peer group companies, and that it is likely to be a key executive within the retail industry or elsewhere. When compared to CEO positions within our peer group, Ms. McKenna's compensation is below the median.

Executive Compensation

Kathryn McLean EVP, President and CEO, Sam's Club

Fiscal 2020 Highlights

- Promoted to current position on November 15, 2019 after successfully leading Walmart U.S. Neighborhood Markets business.

Fiscal 2020 Target TDC \$8.8 million



Key Compensation Decisions for Fiscal 2020

The CRMC relies on the factors described on page 48 in establishing the target TDC of our 1410s. Ms. McLean was promoted to her role in November 2019. In addition to her annual compensation described above, Ms. McLean received a \$400,000 retention stock award in connection with her performance during Fiscal 2020 described above. The CRMC believes that Ms. McLean, as her new role, is a key executive within our peer group companies, and that it is likely to be a key executive within the retail industry or elsewhere. When compared to CEO and CFO positions of target TDC is below the median.

Executive Compensation

John Furner EVP, President and CEO, Walmart U.S.

Fiscal 2020 Highlights

- Mr. Furner was appointed to his current role on November 1, 2019 after serving as EVP, President and CEO of Sam's Club.
- In the 4th quarter, Walmart U.S. comp-store sales grew 1.9% and 4.0% over two-year stretched base, while U.S. e-commerce sales grew 20% in the quarter.
- Sam's Club delivered continued solid top-line results during Fiscal 2020, with positive comp sales despite a strategic reduction in in-store sales, operating income growth of 4%, and e-commerce sales growth of 35%.
- Sam's Club continued to innovate, launching same-day pickup throughout the U.S.

Fiscal 2020 Target TDC \$9.6 million



Key Compensation Decisions for Fiscal 2020

The CRMC relies on the factors described on page 48 in establishing the target TDC of our 1410s. For Fiscal 2020, the CRMC increased Mr. Furner's salary by 2.5% in light of his strong performance. The base salary increase resulted in an approximately 0.8% increase in Mr. Furner's target TDC. Upon his promotion to his current position in November 2019, the CRMC increased Mr. Furner's salary by about 1.9% and his target equity by about 0.8%, resulting in an increase in Mr. Furner's target TDC of about 0.8%. The CRMC approved these increases in light of Mr. Furner's role as the head of our largest segment. The CRMC believes that Mr. Furner, as the head of our largest operating segment, is a key executive within our peer group companies, and that it is likely that he would be recruited for a CEO position in the retail industry or elsewhere. When compared to both CEO and CFO positions within our peer group, Mr. Furner's target TDC is below the median. Mr. Furner received no special awards during Fiscal 2020.

BlackRock

2019 NEO COMPENSATION AND PERFORMANCE SUMMARIES (PAGES 70 TO 76)

https://s24.q4cdn.com/856567660/files/doc_financials/2020/annual/BlackRock-2020-Proxy-Statement.pdf

Compensation Discussion and Analysis | 4. 2019 NEO Compensation and Performance Summaries

Laurence D. Fink Chairman and CEO

2019 Compensation (Thousands)	
Base Salary	\$ 1,500
Annual Incentive Award - Cash	\$ 7,750
Annual Incentive Award - Equity	\$ 4,250
Long-Term Incentive Award	\$11,750
Total Annual Compensation	\$25,250

Responsibilities:

Mr. Fink guides and oversees BlackRock's long-term strategic direction to deliver value for clients and shareholders.

He is responsible for senior leadership development and succession planning, defining and reinforcing BlackRock's mission and culture, and engaging with key strategic clients, industry leaders, regulators and policy makers.

Overall Assessment: Meets/Exceeds

Mr. Fink led the successful execution of BlackRock's strategy throughout 2019, which delivered strong inflows and overall outperformance relative to Traditional LC Peers⁽¹⁾. He drove the firm's focus on del solutions to clients and oversaw continued investments in key growth areas, including iShares, illiquid to meet clients' changing needs. Mr. Fink increased his focus on Organizational Strength, where the fi leadership and employee representation. Overall, the Compensation Committee's assessment of Mr. F in a Meets/Exceeds determination. Based on the performance assessment, the Compensation Commi compensation at \$25.25 million, up 5% from 2018.

Compensation Scorecard	
Performance Category	Performance Highlights
Financial Performance	Achieved record-high revenue and earnings growth in 2019, despite entering the year AUM as a result of significant fourth quarter 2018 market volatility.
	Generated record annual net inflows of \$429 billion, representing 7% organic asset growth and 5% organic base fee growth.
Measures	Continued to generate differentiated organic growth and financial results, leading to outperformance and a 50% P/E multiple premium versus Traditional LC Peers at 2019
Share Price Data	
NTM P/E Multiple ⁽²⁾	16.5x
% Change in Share Price vs. Prior Year	+28%

Compensation Discussion and Analysis | 4. 2019 NEO Compensation and Performance Summaries

Robert S. Kapito President

2019 Compensation (Thousands)	
Base Salary	\$ 1,500
Annual Incentive Award - Cash	\$ 4,500
Annual Incentive Award - Equity	\$ 1,500
Long-Term Incentive Award	\$ 4,000
Total Annual Compensation	\$11,500

Responsibilities:

Mr. Kapito is responsible for executing BlackRock's strategic plan and increasing the global business operations of the Company. He accounts for the coordination and execution of operating process across all global business units, including the management of BlackRock's global institutional client segments. Mr. Kapito led a renewed focus on Organizational Strength and culture at the firm. Overall, the Compensation Committee's assessment of Mr. Kapito's performance resulted in a Meets/Exceeds determination. Based on the performance assessment, the Compensation Committee set Mr. Kapito's 2019 total compensation at \$11.5 million, up 5% from 2018.

He is also responsible for spearheading initiatives to drive investment performance and the results within each of BlackRock's businesses.

Overall Assessment: Meets/Exceeds

In 2019, Mr. Kapito focused key client relationships and led strong long-term investment performance across BlackRock's businesses. He played a critical role in new or renewed strategic initiatives, including the management of BlackRock's global institutional client segments. Mr. Kapito led a renewed focus on Organizational Strength and culture at the firm. Overall, the Compensation Committee's assessment of Mr. Kapito's performance resulted in a Meets/Exceeds determination. Based on the performance assessment, the Compensation Committee set Mr. Kapito's 2019 total compensation at \$11.5 million, up 5% from 2018.

Compensation Scorecard	
Performance Category	Performance Highlights
Financial Performance	Mr. Kapito's operational responsibility for BlackRock's distribution channels and client-facing businesses, including managing relationships with key intermediary partners, contributed to 7% organic asset growth and 5% organic base fee growth.
	Enabled robust and efficient processes and leadership for the oversight and management of record dollar of \$7.42 billion, including nearly \$2 billion in active, nearly \$5 billion in iShares ETFs and nearly \$300 billion in cash management strategies.
Measures	Led industry growth and adoption of ETF categories, resulting in BlackRock's record \$1.2 billion of net inflows in fixed income ETFs, while also capturing the #1 share in industry factor and sustainable ETF flows.
	Delivered on day-to-day oversight of the firm's business operations, partnering with Mr. Goldstein and Mr. Shadab to manage on Operating Strategy, as evidenced by 43.7% down 80 basis points from 2018. The decrease reflected BlackRock's strategic decision to continue investing aggressively in 2019, despite the growth challenges of entering 2019 with headwinds created by market volatility and declines in the fourth quarter of 2018.
Share Price Data	
NTM P/E Multiple ⁽²⁾	16.5x
% Change in Share Price vs. Prior Year	+28%

(1) Amounts are shown on an "as adjusted" basis. For reconciliation with GAAP, please see page 10.

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Compensation Discussion and Analysis | 4. 2019 NEO Compensation and Performance Summaries

Performance Category	Performance Highlights	Assessment
Business Strength	Solve for clients' evolving needs	For Exceeds
	<ul style="list-style-type: none">In partnership with Mr. Kapito, drove strong long-term investment performance across BlackRock's active platforms, with 86%, 76% and 84% of Tradable Fixed Income, Fundamental Equity and Systematic Equity products, respectively, above benchmark or peer median for the trailing three-year period.Oversee the acquisition of alliant, strengthening BlackRock's ability to take a whole portfolio approach in managing assets and enhancing client's alternative investment capabilities for clients.Engaged in more than 400 client meetings, and external events with institutions, governments and central banks around the world bringing relevant perspectives back to the business and increasing BlackRock's ability to respond to client needs.Continued to design robust partnerships and serve as a key thought leader for BlackRock's clients and shareholders.	
Organizational Strength	Sharpen execution and accountability	For Exceeds
	<ul style="list-style-type: none">Simplified BlackRock's operating model through a first reorganization and the reorganization of institutional client businesses. These changes allowed BlackRock to allocate resources to the highest growth areas, while ensuring the consistent delivery of the entire portfolio.Reorganizing clients in client demand, drove BlackRock to leverage its scale and expertise to deliver outsourced Client Investment Officer ("CIO") solutions and, cash management solutions for clients, resulting in 2019 net inflows of \$28 billion and \$61 billion, respectively.	
Organizational Strength	Lead in a changing world	For Exceeds
	<ul style="list-style-type: none">Continued to invest investments in three future growth areas, including climate, liquid alternatives and technology.Oversee significant momentum in liquid alternatives, generating \$14 billion of net inflows, driven by demand for infrastructure, real estate, Long-Term Private Capital ("LTPC") and private credit.Guided Mark Wiedeman, Head of International and of Corporate Strategy, in the formation of a task force to coordinate BlackRock's focus on sustainable investing and the use of risk management, portfolio construction, product design and company engagement.	
Organizational Strength	Attract and inspire talent	For Exceeds
	<ul style="list-style-type: none">Enabled leaders into key roles, including naming Mark Wiedeman Head of International and of Corporate Strategy, Mark McCumber Chief Client Officer and Sales Ramp Head of ETF and Index Investments.Directly involved in ongoing succession planning efforts through the creation of Talent Bench Reviews, which provide deeper insights into potential leadership succession and increased ownership of succession plans.Created an environment and mechanisms that enable employees to provide feedback. As measured by BlackRock's 2019 Employee Opinion Survey, employee engagement remains high with over 90% participation and 70% of employees choosing positive scores in engagement.	
Organizational Strength	Develop a more diverse and inclusive culture	For Exceeds
	<ul style="list-style-type: none">Continued to emphasize the importance of inclusion and diversity through multiple female initiatives focused on increasing diverse representation at the firm.Expanded female representation at the senior level from 25.4% to 28.9% at the firm. However, missed the publicly stated goal of 30% of female representation in senior roles by 2020.	

Compensation Discussion and Analysis | 4. 2019 NEO Compensation and Performance Summaries

Performance Category	Performance Highlights	Assessment
Business Strength	Sharpen execution and accountability <ul style="list-style-type: none">Redesigned global institutional client segments and restructured its leadership to drive growth across the Americas, Europe and Asia.Streamlined the firm's product governance structure with more robust product management roles and oversight across asset classes.	For Exceeds
	Lead in a changing world <ul style="list-style-type: none">Guided BlackRock's alternative business into its next phase of growth, through the full integration of Tennenbaum Capital Partners, the close of its Global Credit Opportunities Fund and three successful fundraising closes of its LTPC vehicle.	For Exceeds
Organizational Strength	Attract and inspire talent <ul style="list-style-type: none">Continued to lead key programs and committees to engage key talent across the firm, which proved to be critical early in the reorganization.Elevated key leaders across the investment business and drove progress in developing deep and diverse succession plans.	Partly Meets
	Develop a more diverse and inclusive culture <ul style="list-style-type: none">Continued to increase BlackRock's focus on inclusion and diversity, particularly across the investment teams through the Growing More Diverse Investors initiative.While exemplifying our culture and principles internally, partnered with Mr. Fink to act and decrease the unplanned departures of three executives for personal conduct violations.	For Exceeds

BLACKROCK, INC. 2020 PROXY STATEMENT 13

Robert L. Goldstein COO

2019 Compensation (Thousands)	
Base Salary	\$ 500
Annual Incentive Award - Cash	\$1,950
Annual Incentive Award - Equity	\$1,000
Long-Term Incentive Award	\$4,400
Total Annual Compensation	\$8,850

Responsibilities:

As COO, Mr. Goldstein is responsible for ensuring that the Company's investment, client, risk, analytics, technology and operating functions have the necessary connectivity, coordination and scalable processes in place to succeed.

Mr. Goldstein also leads the BlackRock Solutions ("BOS") business, following investment and risk analytics technology to clients.

Mr. Goldstein co-chairs, along with Mr. Kapriel, the BlackRock Global Operating Committee. He also co-chairs, along with Mr. Shudis, the Planning, Budgeting and Alignment ("PBA") Committee, which is responsible for developing the Company's budget, evaluating new initiatives aimed at driving growth and achieving strategic objectives of the firm.

Overall Assessment For Exceeds

In 2019, Mr. Goldstein's leadership significantly contributed to BlackRock's overall financial growth and advancement of key technology initiatives. He led the acquisition and integration of Affinity and drove a 24% year-over-year increase in technology revenue. His involvement in key strategic and organizational initiatives had a measurable impact on BlackRock's success. Overall, the Compensation Committee's assessment of Mr. Goldstein's performance resulted in a **For Exceeds** determination. In light of Mr. Goldstein's expanding responsibilities and the substantial growth of the business he oversees, the Committee approved incentive compensation for recognizing his high performance for the year and to also acknowledge his larger role. To that end, Mr. Goldstein's 2019 total compensation was set at \$8.85 million, including incentive pay at 127% of goal, reflecting both a "For Exceeds" performance determination as well as market movement in his total pay.

Performance Category	Performance/Targets	Assessment
Financial Performance	<ul style="list-style-type: none"> Under Mr. Goldstein's leadership, BlackRock generated a record \$9.7 billion of 2019 technology revenue and 24% year-over-year growth. Mr. Goldstein enhanced technology capabilities by enhancing capabilities to support the entire client management value chain. He drove the acquisition of Affinity and developed a partnership with BNY Mellon to deliver integrated technology and servicing capabilities across the investment lifecycle. Delivered day-to-day oversight of the firm's business operations, partnering with Mr. Kapriel and Mr. Shudis to manage an Operating Margin, as adjusted, of 43.7%, down 60 basis points from 2018. The decrease reflected BlackRock's strategic decision to continue investing responsibility in 2019, despite a more challenging overall economic environment created by market volatility in the fourth quarter of 2018. 	For Exceeds
Business Strength	<ul style="list-style-type: none"> As COO, Mr. Goldstein was involved in a variety of key firm-wide initiatives, including ensuring client experience, managing a Bermuda reorganization and opening BlackRock's Atlanta office. Increased risk management protocols, enhancing connectivity of risk management groups across the firm and circumventing the firm's ability to respond to issues efficiently and effectively. Led the PBA Committee, with co-chair Mr. Shudis, in establishing a reallocation framework to direct resources into high-growth areas. As Head of BlackRock Solutions, expanded strategic partnerships and multiple implementation across BNY, including the delivery of technology solutions and servicing tools. Mr. Goldstein drove the successful acquisition of Affinity, which elevated the capabilities of BlackRock's technology platform. He was critical to the integration of Affinity employees and systems into BlackRock's platform and to the offering of client solutions and services being used by over 900 clients in 48 countries, including 10 wealth managers that have 70,000+ client advisory assets under management. 	For Exceeds
Organizational Strength	<ul style="list-style-type: none"> Shared key insights with business leaders on the future of the firm through talent initiatives and committees, most notably during the roll-out of Talent Bench Reviews in 2019. Upgraded leadership across technology teams, forming a Head of the Adaptive Product Group and providing stretch opportunities for key leaders in Adaptive Growth. He also provided strategic direction to ensure the right leadership was in place in the technology operations group. Mr. Goldstein's focus on inclusion and diversity progress has led to an increase in female representation across technology service groups. He has personally sponsored stretch roles for senior leaders in technology groups and across the firm. 	For Exceeds

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Gary S. Shudis CFO

2019 Compensation (Thousands)	
Base Salary	\$ 500
Annual Incentive Award - Cash	\$1,475
Annual Incentive Award - Equity	\$1,525
Long-Term Incentive Award	\$1,750
Total Annual Compensation	\$7,250

Responsibilities:

As CFO, Mr. Shudis is responsible for managing BlackRock's overall financial condition, including resource and capital allocation, and expense discipline.

He is also responsible for overseeing all corporate finance functions, including financial planning and analysis, accounting, finance operations and controls, tax, treasury, investor relations, corporate development and corporate sustainability.

Mr. Shudis also co-chairs, along with Mr. Goldstein, the PBA Committee, which makes recommendations regarding the Company's budget, evaluating new initiatives aimed at driving growth, and achieving strategic objectives.

Overall Assessment For Exceeds

In 2019, Mr. Shudis meaningfully contributed to BlackRock's success through prudent resource and capital allocation, while providing insights across a variety of strategic initiatives. He drove progress in Organizational Strength across the Finance Function and at the firm more broadly. The Compensation Committee's assessment of Mr. Shudis's performance resulted in a **For Exceeds** determination, and based on the performance assessment, the Compensation Committee set Mr. Shudis's total compensation at \$7.25 million, up 12% from 2018.

Performance Category	Performance/Targets	Assessment
Financial Performance	<ul style="list-style-type: none"> Drove BlackRock's capital management strategy, returning \$1.8 billion to shareholders in 2019, highlighted by a strategic \$1.1 billion share repurchase in March 2019. He also saw the allocation of over \$170 million of new capital and co-investment capital to support growth, leading to BlackRock's investment portfolio exceeding \$2 billion for the first time. Delivered savings through cost-effective resource allocation across the firm. Delivered day-to-day oversight of the firm's business operations, partnering with Mr. Kapriel and Mr. Goldstein to manage an Operating Margin, as adjusted, of 43.7%, down 60 basis points from 2018. The decrease reflected BlackRock's strategic decision to continue investing responsibility in 2019, despite a more challenging overall economic environment created by market volatility in the fourth quarter of 2018. 	Meets/Exceeds
Business Strength	<ul style="list-style-type: none"> Oversee and executed several key strategic investments and acquisitions for the firm, highlighting the successful \$2.3 billion acquisition and related financing of Affinity. Led the PBA Committee, with co-chair Mr. Goldstein, in establishing a reallocation framework to direct resources into growth areas. In partnership with enterprise leaders, engaged on multiple market entry options in strategic geographies and across businesses. Oversee the Finance Function's support of the firm's businesses through enhanced quarterly review and increased automation using BlackRock's technology capabilities. Played a critical role in the formation of BlackRock's Corporate Sustainability function, helping the firm establish a cohesive vision, strategy and corporate reporting framework across the firm, including publishing BlackRock's first SASB-aligned disclosure. 	For Exceeds
Organizational Strength	<ul style="list-style-type: none"> Strengthened the Finance leadership bench, led succession planning and continued to provide stretch opportunities for high performers. Continued to develop the Finance Talent Development committee, which focuses on the development of employees, people managers, inclusion and diversity, and overall satisfaction across the business. Led year-over-year improvement in gender diversity across the Finance function, driven by strong hiring. Continued to drive an increased focus on ethnic representation, particularly at the more senior levels. 	Meets/Exceeds

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J. Richard Kusiel Head of Multi-Asset Strategies and Global Fixed Income

2019 Compensation (Thousands)	
Base Salary	\$ 600
Annual Incentive Award - Cash	\$1,611
Annual Incentive Award - Equity	\$1,061
Long-Term Incentive Award	\$1,800
Total Annual Compensation	\$7,072

Responsibilities:

As Global Head of Multi-Asset Strategies ("MAS") and Global Fixed Income ("GFI") and with oversight of Client Portfolio Solutions ("CPS"), Mr. Kusiel is responsible for the firm's multi-asset and global fixed income products, asset allocation and client portfolio solutions capabilities.

As Global Head of MAS and GFI and with oversight of CPS, Mr. Kusiel oversees management of a variety of balanced funds and boutique mandates for a diversified client base that leverages broad investment expertise in global equities, bonds, currencies and commodities and BlackRock's extensive risk management capabilities.

Overall Assessment For Exceeds

In 2019, Mr. Kusiel played a critical role in BlackRock's record asset gathering and strong financial performance. Under his leadership, MAS, GFI and CPS generated strong organic growth and delivered improved investment performance relative to benchmarks. Mr. Kusiel's focus on strategic and organizational initiatives had a positive impact on the investment team's high-performance culture. Overall, the Compensation Committee's assessment of Mr. Kusiel's performance resulted in a **For Exceeds** determination. Based on the performance assessment, the Compensation Committee set Mr. Kusiel's 2019 total compensation at \$7.072 million, up 15% from 2018.

Performance Category	Performance/Targets	Assessment
Financial Performance	<ul style="list-style-type: none"> Under Mr. Kusiel's leadership, MAS generated \$19 billion in net new business and had strong investment performance across the portfolio, driven by macro factor, global tactical allocation and income strategies. GFI generated \$254 billion in net new business, reflecting strength across active, index and Shares strategies. GFI continued to deliver strong long-term investment performance, with 87%, 98% and 89% of Funds Fixed Income products above benchmark or peer median for the trailing one-, three- and five-year periods, respectively. Growth in CPS continued to accelerate, with strong flow across both institutional and wealth clients and strong investment performance. 	Meets/Exceeds
Business Strength	<ul style="list-style-type: none"> Directly engaged with and fostered key long-term client relationships that are expected to drive future growth for the firm. In partnership with Mr. Kapriel, re-structured and assigned new leadership in certain investment teams, resulting in tangible performance improvement. Facilitated CPS to address increased client demand for outsourced mandates, model portfolios and CDO capabilities by unifying BlackRock's capabilities in CPS and Affinity, enabling BlackRock to reach and serve more clients than ever before. 	For Exceeds
Organizational Strength	<ul style="list-style-type: none"> Drove the talent agenda across his groups and roll-out performance excellence and skill-building initiatives, including the "Global Leader" initiative to increase programming skills. Led progress in gender representation, growing the female investor population in MAS and elevating senior female investors in GFI. Continued to develop a more inclusive investment culture across his groups, highlighted by the roll-out of career exploration sessions and mentorship programs. 	Meets/Exceeds

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Compensation Discussion and Analysis

2019 STIP Awards

For fiscal 2019, the Company exceeded the STIP target for adjusted revenue as well as for adjusted EPS. Adjusted revenue was 145% of target and adjusted EPS was 105% of target. With adjusted revenue weighted 60% and adjusted EPS weighted 40%, these performance results yield a payout at 129% of target. However, given the significant contribution to revenue from the Company's divided brand sourcing business, which is an unreplicable and minimal profit revenue stream, management recommended reducing adjusted revenue by \$30 million, which resulted in adjusted revenue performance at 121% of target and overall performance at 118% of target. The Committee agreed with this approach, exercised negative discretion, and set the overall funding level of the 2019 STIP at 114% of target funding. Individual bonus awards for NEOs were then calculated based on this overall funding level as well as the targeted payout levels and individual performance objectives for each NEO, as discussed in more detail below.

Individual performance objectives for our NEOs reflected the top priorities for our NEOs and were aligned with the top risks identified in our annual Enterprise Risk Management process, including driving global growth, strengthening the pipeline for 2020 and beyond and succession planning and talent development. Mr. Thoma's and Mr. Viorst's individual performance objectives also included revenue growth performance for their respective divisions.

Mr. MacMillan



Fiscal 2019 STIP Awards
Based on the Company's financial performance as well as an assessment of Mr. MacMillan's individual performance for fiscal 2019, Mr. MacMillan was awarded a total bonus amount of \$1,014,139, which represents 114% of his overall target amount.



Compensation Discussion and Analysis

Performance Objectives and Outcomes

Mr. MacMillan's individual performance objectives were designed to reward the achievement of the following goals:

Performance Goals	Fiscal 2019 Performance Outcomes
Driving global growth by realizing planned Cynosure and International growth, accelerating revenue growth in other businesses and improving supply chain and product reliability.	<ul style="list-style-type: none"> During the year, the Breast Health & the International business continued growth in the Surgical division across divisions missed its growth targets. Mr. MacMillan continued to lead our division, resulting in more visibility. Product reliability increased during opportunities to optimize supply chain.
Strengthening the product pipeline for 2020 and beyond by driving for product launches in each division to impact 2020 revenue and identify and execute opportunities to impact 2020 revenue.	<ul style="list-style-type: none"> The Company continued to strengthen and through acquisitions, with new growth in 2019 and new products for fiscal 2020. The Company completed several acquisitions significantly increased the number of
Focusing on succession planning and talent development by continuing to develop leaders as potential benefit for CEO and all senior positions.	<ul style="list-style-type: none"> With his direct oversight of all Divisions continued to strengthen his developing successors. A number of key leader Presidents of the Diagnostics and Medical filed by internal candidates.

Ms. Oberton



Fiscal 2019 STIP Awards
Based on the Company's financial performance as well as an assessment of Ms. Oberton's individual performance for fiscal 2019, Ms. Oberton was awarded a total bonus amount of \$425,000, which represents 105% of her overall target amount.



Performance Objectives and Outcomes

Ms. Oberton's individual performance objectives were designed to reward the achievement of the following goals:

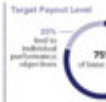
Performance Goals	Fiscal 2019 Performance Outcomes
Driving global growth through execution of Cynosure integration plans, including integration of financial systems, driving international growth plans, and optimize corporate solutions.	<ul style="list-style-type: none"> Cynosure financial integration continued. International and shared services structure redesign complete. Improved tax rate. Drive tighter allocation strategy, with continued acquisitions and share repurchases while maintaining a net leverage ratio of 2.3x.
Strengthening the product pipeline for 2020 and beyond by delivering financial resources to support innovation and research and development and supporting business development opportunities.	<ul style="list-style-type: none"> Finance provided insights and solutions to support critical pipeline programs. Finance continued to drive analytics for successful new product launches. Divisional, Corporate Finance and International Services provided leadership and support for all equity firms and integrations.
Focusing on succession planning and talent development by increasing organizational talent and capabilities, with specific focus on Cynosure international functions, contributing to support key experiences for finance talent, and identifying and developing potential successors for key finance leadership positions.	<ul style="list-style-type: none"> Successors identified for key financial leadership positions and repeat development plans in place for key successors. Increased talent pipeline as measured by increase in number of high potential employees for critical positions. Built plans for talent transition of key positions. Retained talent in critical roles.

Compensation Discussion and Analysis

Mr. Griffin



Fiscal 2019 STIP Awards
Based on the Company's financial performance as well as an assessment of Mr. Griffin's individual performance for fiscal 2019, Mr. Griffin was awarded a total bonus amount of \$440,000, which represents 118% of his overall target amount.



Performance Objectives and Outcomes

Mr. Griffin's individual performance objectives were designed to reward the achievement of the following goals:

Performance Goals	Fiscal 2019 Performance Outcomes
Driving global growth by aligning and allocating legal resources to support Cynosure's growth plan as well as growth in the other businesses and supporting initiatives to improve product and supplier reliability.	<ul style="list-style-type: none"> The legal team focused on the most important priorities to grow revenue. Cynosure legal resources in place. Partnered with new supply chain leader to drive product and supplier reliability.
Strengthening the product pipeline for 2020 and beyond by delivering legal support for innovation and research and development projects, accelerating and developing the business development pipeline and providing legal support for business development transactions.	<ul style="list-style-type: none"> Intellectual property and other matters were aligned with the most critical pipeline programs. Integrated new business development leader and provided overall business development focus. Continued to build legal team's business development capabilities.
Focusing on succession planning and talent development by developing potential successors, creating succession plans for direct reports, retaining key talent and filling open Cynosure attorney positions.	<ul style="list-style-type: none"> Refined development plans for all attorneys and professionals in the legal group. Continued to identify key experiences for potential successors and refined successor development and retention plans. Partnered with Cynosure leadership to fill open positions. Continued to be a valued and trusted advisor to the CEO and to the Board.

Compensation Discussion and Analysis

Mr. Thornal



Performance Objectives and Outcomes

Mr. Thornal's individual performance objectives were designed to reward the achievement of the following goals:

Performance Goals	Fiscal 2019 Performance Outcomes
Driving global growth by delivering U.S. revenue above budget, building a predictable operating model and adding immediate revenue with distribution agreements.	<ul style="list-style-type: none"> The Medical Aesthetics division missed its fiscal 2019 budget goals, while the Diagnostics division, which Mr. Thornal led for the last two months of the fiscal year, exceeded its fiscal 2019 budget revenue goals, with particular strength in the molecular diagnostics business. The Medical Aesthetics division entered into several distribution and partnership agreements during fiscal 2019.
Strengthening the pipeline for 2020 and beyond by adding to the portfolio through business development, driving the portfolio steering process, and expanding the pipeline with a focus on recurring revenue.	<ul style="list-style-type: none"> Began a clinical study in 2019 for priority marketing claims for radio-frequency non-invasive body contouring. Continued work on proposed clinical study to bolster MonaLisa Touch claims.
Focusing on succession planning and talent development by strengthening leadership capabilities and infusing leadership principles of a high-performing organization, continue external recruiting vigilance to attract top talent.	<ul style="list-style-type: none"> Identified and continued development of successor roles. Assumption of Medical Aesthetics Division P by internal candidate, one of Mr. Thornal's direct reports, successful talent development. Identified and retained critical talent. Filled open positions with urgency and speed.

Compensation Discussion and Analysis

Mr. Valenti



Performance Objectives and Outcomes

Mr. Valenti's individual performance objectives were designed to reward the achievement of the following goals:

Performance Goals	Fiscal 2019 Performance Outcomes
Driving global growth by achieving U.S. and global budgeted revenue, delivering on planned fiscal 2019 product launches on time and achieving planned associated revenue and restructuring the U.S. sales team.	<ul style="list-style-type: none"> Breast and Gynecological Health division exceeded budget revenue goals both in the U.S. and internationally. Mr. Valenti positioned the division for continued acceleration in revenue growth, completing a reorganization of the sales team to focus more on the customer, with smaller territories and sales reps selling the entire value chain of products and solutions. Continued to evolve commercial business model to better meet customer needs and provide steady and profitable revenue.
Strengthening the pipeline for 2020 and beyond by driving innovation and adding to the Breast and Gynecological Health portfolio through business development activities.	<ul style="list-style-type: none"> Continued commitment to insight-driven innovation and strategic acquisitions that align with the division's – and Company's – mission to make a positive impact in breast health from screening to pathology. Accelerated innovation with 11 new product launches during fiscal 2019 and continuing steady cadence of new products with diversified products in the pipeline for fiscal 2020 and beyond. Closed acquisition of Focal Therapeutics, manufacturer of the BioZorb marker, and acquired 48% ownership of SuperSonic Imagine, an innovator in cart-based ultrasound products, enabling Hologic to play a larger role in breast-conserving surgery and strengthening our offerings to radiologists, pathologists and breast surgeons.
Focusing on succession planning and talent development by improving talent plans with a focus on manager level and above, identifying and grooming near and longer term succession candidates, and providing quarterly development and performance feedback.	<ul style="list-style-type: none"> Development plans in place for talent in critical positions. Identified successors for senior leadership roles.

EXECUTIVE COMPENSATION

2019 Performance of NEOs

The Committee considered several factors in approving each element of 2019 compensation. For the 2019 Annual Incentive Award plan, the Committee primarily evaluated our financial and strategic performance, as described under "Financial Performance" on page 27. The Committee also considered the individual performance of each active NEO for purposes of approving salary increases, annual cash incentive awards, equity awards and LTIP awards. Executives receive variable elements of short- and long-term compensation only after the relevant performance period has ended and the Committee has assessed Altria's actual performance and executive performance relative to stated goals established at the beginning of the period. In addition, the Committee considers industry compensation market data and tally sheets for each of the NEOs that include their total cash and long-term compensation for the last three years.

The Committee evaluated our NEOs' progress against their performance goals and the relationship of their performance to our overall 2019 results. We discuss the 2019 performance of each NEO below.



Howard A. Willard III
Chairman of the Board
and CEO

Key Responsibilities
Mr. Willard provided strategic leadership to our Board, executive team and employees in a dynamic, competitive and highly regulated environment.

2019 Achievements

Mr. Willard provided solid leadership to our Board, executive team and employees during a dynamic and challenging year in the tobacco industry.

However, our 2018 minority investment in JUUL had a significant negative impact on shareholder value. 2019 reported income and investor sentiment, which the Committee took into account in determining Mr. Willard's compensation, discussed below under "2019 Executive Compensation Program Decisions."

In terms of his leadership over Altria's business operations, Mr. Willard:

- Oversaw delivery of strong financial results despite significant headwinds, including accelerated industry volume declines and a challenging regulatory environment;
- Built a compelling portfolio strategy across tobacco categories and advanced Altria's harm reduction aspiration through the on! transaction and the launch of IQOS in the U.S.;
- Oversaw the successful execution of the cost reduction program announced in December 2018, which exceeded target, while simultaneously guiding the organization to execute at a high level following what could have been a disruptive event;
- Promoted enhanced efforts to support underage tobacco prevention, in part through federal legislation to raise the legal age of purchasing all tobacco products (including e-vapor) to 21; and
- Implemented a new framework to drive accountability of senior executives to advance diversity, develop their people and promote an inclusive culture.

EXECUTIVE COMPENSATION



William F. Gifford, Jr.
Vice Chairman and Chief
Financial Officer

Key Responsibilities
Mr. Gifford was responsible for Altria's financial performance, as well as its corporate finance, treasury and distribution business, and Consumer & Transference Insights team. He also served as one of our designated members on the Board of Directors of IQOS.

2019 Achievements

Mr. Gifford:

- Led Altria in achieving its financial targets in 2019 despite significant headwinds in its core tobacco businesses, including delivering 2019 adjusted diluted EPS growth, which Altria's 4% FY adjusted diluted EPS earnings guidance for the year;
- Oversee the expansion of adjusted COO margins in the cigarette and premium product segments with strong price realizations, efficient management of price and promotional resources, and effective controller cost management;
- Oversee execution of the cost reduction program announced in December 2018, which delivered \$600 million in annualized cost savings, exceeding the target of \$475 million;
- Led the issuance of debt to fund the Cigna and JUUL investments at better than expected interest rates; and
- Provided executive sponsorship of Altria's ESG and employee resource groups.



Murray R. Garick
Executive Vice President and
General Counsel

Key Responsibilities
Mr. Garick's responsibilities included leading Altria's legal and regulatory affairs functions and managing the development and execution of legal and regulatory strategies.

2019 Achievements

Mr. Garick:

- Worked with regulators and external stakeholders to help shape an environment that supports the commercialization of IQOS in the U.S.;
- Oversee legal strategy and support in connection with the on! transaction, the Cigna investment and the JUUL investment, including negotiations with JUUL to revise the terms of our agreements and without review;
- Successfully defended Cigarette and Leaf Tobacco as a regulated tobacco product before the Tobacco Products Scientific Advisory Committee;
- Oversee regulatory strategies to protect Altria's core tobacco portfolio by reducing the risk of increasing non-tobacco regulated sales from the FDA;
- Managed complex litigation matters, including product liability and securities class and matters related to the Master Settlement Agreement; and
- Provided executive sponsorship of Altria's ESG and employee resource groups.

EXECUTIVE COMPENSATION



Salvatore Mancuso
Senior Vice President,
Finance and Procurement

Key Responsibilities
Mr. Mancuso's responsibilities included overseeing Altria's Tax, Treasury, Audit, Financial Planning & Analysis, and Controller functions, while also overseeing Procurement, Asset Sales & Security Information Services and Policy Administration Management Corporation.

2019 Achievements

Mr. Mancuso:

- Led the implementation of the cost reduction program announced in December 2018 that reduced headcount-related and third-party costs by \$600 million;
- Oversee the issuance of debt to fund the Cigna and JUUL investments;
- Provided executive oversight of the delivery of the 2019 performance plan to significantly reduce the organization's costs;
- Improved operating cost flow to almost \$200 million compared to the 2018 operating budget;
- Oversee the management of significant fee changes resulting from the Tax Cuts and Jobs Act of 2017;
- Led the Procurement department's improved supply security of the direct material supply chain for Altria's core tobacco businesses; and
- Provided executive sponsorship of Altria's ESG and employee resource groups.



Judy L. Begley
Senior Vice President,
Tobacco Products

Key Responsibilities
Mr. Begley led Altria's core tobacco businesses as well as engineering, Quality and Product Development support.

2019 Achievements

Mr. Begley:

- Led Altria's core tobacco businesses in delivering outstanding business and financial performance, strong profit growth and brand leadership amid a challenging year with greater than expected industry volume declines and increased pressure in the cigarette discount segment;
- Led the revenue growth management strategy to allocate our core tobacco business resources more effectively in geographies, tobacco classes and specific adult tobacco consumer segments;
- Increased adjusted COO for the core tobacco businesses - 10% in the cigarette products segment and 10% in the premium products segment - while expanding innovative and premium adjusted COO margins by 10 and 30 percentage points, respectively;
- Oversee the launch of IQOS in licensed markets with novel retail concepts, platform and the development of manufacturing capabilities for our nicotine pouches; and
- Provided executive sponsorship of Altria's ESG and employee resource groups.

Occidental Petroleum

INDIVIDUAL COMPENSATION CONSIDERATIONS (PAGES 49 TO 53)

<https://www.oxy.com/investors/Reports/Documents/2020-Proxy-Statement.pdf>

Compensation Discussion and Analysis

Individual Compensation Considerations

In making executive compensation decisions for a given year, the Compensation Committee considers, among other factors, the performance of Occidental and the individual contributions of each named executive officer. Details regarding the 2019 compensation decisions and performance evaluation of each named executive officer are presented below.



Vicki Hollub
President and Chief Executive Officer

Ms. Hollub is the President and Chief Executive Officer of Occidental. Ms. Hollub is responsible for all operations, the financial management of Occidental, implementing Occidental's strategy, and assisting the Board with, among other matters, corporate strategy development, executive succession planning and talent development, and executive compensation for the other named executive officers.

Tenure. Ms. Hollub joined Occidental over 35 years ago and, before her appointment as Chief Executive Officer in 2016, she held a variety of increasingly significant leadership and technical positions on three continents, including roles in the United States, Russia, Venezuela and Ecuador.

Performance Assessment. In assessing Ms. Hollub's individual performance in 2019, the Compensation Committee considered her accomplishments in the areas identified as individual performance goals on page 44. Highlights of the individual performance assessment are set forth below.

- Ms. Hollub enhanced the value of Occidental's portfolio of assets through the Anadarko acquisition, which strengthened Occidental's long-term value proposition. Following the acquisition, Ms. Hollub rapidly made significant progress toward fully achieving Occidental's synergy capture goals and meeting divestiture targets. Within five months of the closing of the acquisition, Occidental captured \$799 million of overhead synergies, \$83 million of operating synergies and \$323 million of capital synergies and repaid \$7 billion of debt with the proceeds of non-core asset sales and free cash flow. Ms. Hollub also executed a successful oil hedging program to support cash flow stability during the near-term post-acquisition period.
- Ms. Hollub maintained Occidental's focus on capital discipline throughout the budgeting process in 2019 to balance spending with projected cash flow. The 2020 capital budget is expected to deliver a \$3.6 billion capital reduction compared to the 2019 pro forma capital budget.
- Under Ms. Hollub's leadership, Occidental continued to achieve superior well results through proprietary drilling process and subsurface expertise, which is now being applied to Anadarko. In 2019, Occidental delivered 32 of the 100 best wells in the Delaware Basin on a six-month cycle.
- Ms. Hollub also continued to emphasize the importance of Occidental's commitment to health and safety. In 2019, Occidental achieved the lowest combined injury and illness incident rate (IR) in both Occidental's U.S. and international operations.
- Ms. Hollub also reinforced Occidental's commitment to operating a sustainable business, as Occidental initiated, published its second Climate Report and continued to emphasize the work of OLCV, OI technologies and business solutions that economically grow Occidental's business while reducing the environmental footprint of low-carbon fuels and products, as well as sequestration services to support carbon capture.

Compensation Discussion and Analysis

COMPENSATION DECISIONS

- **Base salary:** Ms. Hollub's base salary was increased by 8% in February 2019, which the Compensation Committee determined was appropriate in consideration of Ms. Hollub's 2018 performance assessment, compensation surveys, publicly available peer company data and internal pay equity. This was Ms. Hollub's first increase in base salary since 2016.
- **Annual Cash Incentive:** Ms. Hollub's target annual cash incentive award opportunity was set in February 2019 at \$2,025,000, an 8% increase from 2018, commensurate with Ms. Hollub's increase in base salary, which the Compensation Committee determined was appropriate in relation to an annual cash incentive award target of 150% of Ms. Hollub's base salary and in consideration of the company performance portion of the annual cash incentive award was earned at 125% of target. Based on Ms. Hollub's individual achievements described above, the Compensation Committee determined to pay out over 70% of Ms. Hollub's annual cash incentive award in forfeitable, time-vesting PDSs in lieu of cash, as further described in "Elements of the 2019 Compensation Program – Annual Cash Incentive – Determining Annual Cash Incentive Award Payout" on page 44.
- **Long-Term Incentives:** The target grant date value of Ms. Hollub's long-term incentive award package for 2019 was \$10,500,000, an approximate 11% increase from 2018, which the Compensation Committee determined was appropriate in recognition of Ms. Hollub's 2018 performance assessment, compensation surveys, and a review of publicly available peer company data. 70% of Ms. Hollub's target long-term incentive award opportunity is performance-based and will be realized only if Occidental meets or exceeds the performance targets described in "Elements of the 2019 Compensation Program – Long-Term Incentive Award Program" on page 45.



Edward A. Lowe
Executive Vice President and Group Chairman, Middle East

Mr. Lowe has served as Executive Vice President of Occidental since 2015 and Group Chairman, Middle East, since 2016. Prior to that, Mr. Lowe served as President, Oil & Gas – International since 2009. Mr. Lowe is responsible for growing Occidental's business in the Middle East, including strategy, business development, contract extensions and partner relationships.

Tenure. Mr. Lowe has been an employee of Occidental for over 36 years.

Performance Assessment. In assessing Mr. Lowe's performance, the Compensation Committee considered his contributions to the success of Occidental's operations in the Middle East, including Occidental's record high production from Al Hase Gas in 2019; the cost-effective expansion of Al Hase Gas's capacity to 140% in 2019; his support to the award of a 1.5 million acre exploration contract in Block 7 near the Al Hase plant; and his critical involvement in supporting the negotiation and signing of the agreement for the exploration and production sharing contract in Block 72 in Oman.

COMPENSATION DECISIONS

- **Base salary:** Mr. Lowe's base salary increased by 4% in February 2019, which the Compensation Committee determined was appropriate in consideration of Mr. Lowe's 2018 performance assessment, compensation surveys, publicly available peer company data and internal pay equity. Mr. Lowe had not had an increase in base salary since 2014.
- **Annual Cash Incentive:** Mr. Lowe's target annual cash incentive award opportunity was set at \$750,000, unchanged from 2018. The company performance portion of the annual cash incentive award was earned at 175% of target. Based on Mr. Lowe's individual achievements described above, the Compensation Committee determined that the individual performance portion of the annual cash incentive award was earned at 75% of target.
- **Long-Term Incentives:** The target grant date value of Mr. Lowe's long-term incentive award package for 2019 was \$3,500,000, unchanged from 2018. For information regarding how the Compensation Committee determines individual long-term incentive award amounts, see "Elements of the 2019 Compensation Program – Long-Term Incentive Award Program" on page 45.



Cedric W. Burgher
Senior Vice President and Chief Financial Officer

Mr. Burgher joined Occidental as Senior Vice President and Chief Financial Officer in 2017. Mr. Burgher previously served as Senior Vice President at EOG Resources, where he led investor relations and reported directly to the Chief Executive Officer. Mr. Burgher is a seasoned energy executive with more than 30 years of experience leading financial and investor functions at a number of global companies. In this role, Mr. Burgher was responsible for Occidental's tax, treasury and controller functions as well as investor relations.

Tenure. Mr. Burgher has been an employee of Occidental since 2017. On April 3, 2020, Mr. Burgher transitioned to another role within Occidental.

Performance Assessment. In assessing Mr. Burgher's performance, the Compensation Committee considered his leadership and management of his functional areas of responsibility, as well as his leadership and support for Occidental's overall strategic goals and performance objectives. Mr. Burgher made meaningful contributions with respect to the oversight and management of the company's balance sheet, liquidity position, credit ratings, and financial controls, as well as efforts to optimize the capital program and maintain open engagement with shareholders and the financial community. Mr. Burgher's contributions also included his efforts related to the Anadarko acquisition, financing and integration. This work included successful bond market and bank financings, commodity price hedges, overhead reductions, tax efficiencies and other integration matters.

COMPENSATION DECISIONS

- Base salary:** Mr. Burgher's base salary increased by approximately 7% in February 2019, which the Compensation Committee determined was appropriate in light of a review of Mr. Burgher's individual responsibilities and 2019 performance assessment, compensation surveys, publicly available peer company data and internal pay equity.
- Annual Cash Incentive:** Mr. Burgher's target annual cash incentive award opportunity was set at \$1,000,000, an approximate 25% increase from 2018, which the Compensation Committee determined was appropriate in light of the compensation review described above. The company performance portion of the annual cash incentive award was earned at 175% of target. Based on Mr. Burgher's individual achievements described above, the Compensation Committee determined that the individual performance portion of the annual cash incentive award was earned at 175% of target. The Compensation Committee determined to pay out over 40% of Mr. Burgher's annual cash incentive award in forfeitable, time-vesting RSUs in lieu of cash, as further described in "Elements of the 2019 Compensation Program – Annual Cash Incentive – Determining Annual Cash Incentive Award Payout" on page 46.
- Long-Term Incentives:** The target grant date value of Mr. Burgher's long-term incentive award package for 2019 was \$2,400,000, an approximate 17% increase from 2018, which the Compensation Committee determined was appropriate in light of the compensation review described above. For information regarding how the Compensation Committee determines individual long-term incentive award amounts, see "Elements of the 2019 Compensation Program – Long-Term Incentive Award Program" on page 45.



Marcia E. Backus
Senior Vice President, General Counsel and Chief Compliance Officer

Ms. Backus has served as General Counsel since 2013, Senior Vice President since 2014 and Chief Compliance Officer since 2015. Ms. Backus is responsible for increasing Occidental's legal and compliance departments. Prior to joining Occidental, Ms. Backus was a partner of the law firm Venable & Atkins LLP, leading the firm's Energy Transactions/Projects Practice Group and serving in key leadership positions.

Tenure. Ms. Backus has been an employee of Occidental since 2013.

Performance Assessment. In assessing Ms. Backus' performance, the Compensation Committee considered her instrumental involvement in negotiating the Anadarko acquisition and related financing transactions and, in connection therewith, the agreement to sell Anadarko's Africa assets. With respect to litigation, Ms. Backus demonstrated superior performance in handling litigation matters, developed and implemented proven litigation strategies, and achieved successful outcomes. Ms. Backus also oversaw the successful integration of Anadarko's legal department and compliance functions.

COMPENSATION DECISIONS

- Base salary:** Ms. Backus' base salary increased by approximately 4% in February 2019, which the Compensation Committee determined was appropriate in consideration of Ms. Backus' 2019 performance assessment, compensation surveys, publicly available peer company data and internal pay equity. Ms. Backus has not had an increase in base salary since 2016.
- Annual Cash Incentive:** Ms. Backus' target annual cash incentive award opportunity was set at \$800,000, unchanged from 2018. The company performance portion of the annual cash incentive award was earned at 175% of target. Based on Ms. Backus' individual achievements described above, the Compensation Committee determined that the individual performance portion of the annual cash incentive award was earned at 175% of target.
- Long-Term Incentives:** The target grant date value of Ms. Backus' long-term incentive award package for 2019 was \$2,000,000, unchanged from 2018. For information regarding how the Compensation Committee determines individual long-term incentive award amounts, see "Elements of the 2019 Compensation Program – Long-Term Incentive Award Program" on page 45.



Oscar K. Brown
Senior Vice President, Strategy, Business Development and Supply Chain

Mr. Brown was Senior Vice President, Strategy, Business Development and Supply Chain from 2018 to March 2020. Mr. Brown joined Occidental from Bank of America Merrill Lynch, where he most recently served as managing director and co-head of Americas Energy Investment Banking. He has more than 25 years of energy banking experience in 25 countries, advising on \$200 billion of M&A, joint ventures, IPOs, convertibles, commodities and debt transactions for exploration and production, integrated oil, chemical, midstream and oil field service companies. Mr. Brown was responsible for the company's global business development functions and advising and executing on new business models, commercial strategies and acquisitions and divestiture opportunities. Mr. Brown also oversaw global supply chain including vendor relationships, service and equipment delivery, inventory management and SAP integration.

Tenure. Mr. Brown was an employee of Occidental from 2016 to March 2020.

Performance Assessment. In assessing Mr. Brown's performance, the Compensation Committee considered his leadership and management of his functional areas of responsibility including global business development and global supply chain management, as well as his leadership and support of Occidental's overall strategic goals. Mr. Brown was instrumental in analyzing, negotiating, coordinating and executing the Anadarko acquisition, the related financing transactions, the agreement to sell Anadarko's Africa assets and supporting general investor, rating agencies and media engagements. He played a similar role in establishing a \$1.5 billion joint venture with Essochem in the Midland Basin, and the negotiation and execution of agreements that allow Western Midstream to better compete for third-party business, and led the sale of Occidental's remaining equity interest in Plains, as well as certain other non-core assets. He served as Occidental's designated director on the governing Board of Plains until Occidental exited from its remaining position in late 2019, and served on the Boards of Western Midstream and the Essochem JV. In addition, Mr. Brown oversaw the successful integration of Anadarko's supply chain and procurement functions, the realization of retail supply chain three savings and cost savings, and served as oversight committee related to the overall integration of Anadarko and the implementation of SAP.

COMPENSATION DECISIONS

- Base salary:** As Mr. Brown became an executive officer of Occidental after 2019 compensation decisions were made, Mr. Brown's base salary was set by Mr. Hall at \$640,000 for 2019. Starting in 2020, Mr. Brown's base salary and other elements of his compensation package were determined by the Compensation Committee.
- Annual Cash Incentive:** Mr. Brown's target annual cash incentive award opportunity was set by Mr. Hall at \$1,200,000. The company performance portion of the annual cash incentive award was earned at 175% of target. Based on Mr. Brown's individual achievements described above, the Compensation Committee determined that the individual performance portion of the annual cash incentive award was earned at 175% of target. The Compensation Committee determined to pay out over 40% of Mr. Brown's annual cash incentive award in forfeitable, time-vesting RSUs in lieu of cash, as further described in "Elements of the 2019 Compensation Program – Annual Cash Incentive – Determining Annual Cash Incentive Award Payout" on page 44.
- Long-Term Incentives:** The target grant date value of Mr. Brown's long-term incentive award package for 2019 was \$2,400,000, an approximate 10% increase from 2018, which Mr. Hall determined was appropriate in light of a review of Mr. Brown's individual responsibilities and 2019 performance assessment, compensation surveys, publicly available peer company data and internal pay equity.

T. Rowe Price Group

INDIVIDUAL PERFORMANCE CONSIDERATIONS (PAGES 40 TO 41)

<https://troweprice.gcs-web.com/static-files/8b205989-902b-4f82-a855-0c64ee546101>

Individual Performance Considerations

In addition to contributions to the 2019 priorities summarized above, and the Company's financial and strategic performance highlighted in the executive summary on page 32, the Compensation Committee considered the following individual contributions when setting 2019 compensation for our NEOs.

William J. Stromberg



Chair, President
and Chief Executive
Officer

ROLE CONSIDERATIONS

- Leadership, responsibility, and performance as President and CEO and chair of our Management Committee and Management Compensation Committee.

INDIVIDUAL ACHIEVEMENTS

- Clear leader for the delivery of the firm's integrated strategic plan; driver of important change throughout the firm while preserving a collaborative and client-centered culture.
- Led the successful transition of a new leadership structure following the retirement of the Vice Chairman; broadened the Management Committee with the addition of the head of U.S. Intermediary distribution and hired a new head of Global Human Resources.
- Oversaw the development of the Investment Management Steering Committee to ensure long-term product health and operationalize cooperation between investments and distribution.
- Expanded the responsibilities of the Risk and Operational Steering Committee to govern the execution of the firm's strategic initiatives.
- Overall investment performance remained strong for three-, five-, and 10-year periods against peers and solid against benchmarks.
- Revenues grew 4.6%, diluted non-GAAP earnings per share increased 12.9%, and dividends per share rose 8.6%. Return on equity was a healthy 32% for 2019 versus 31% in 2018.
- The Company returned \$1.4 billion to stockholders in 2019 through dividends and share repurchases, while maintaining an exceptionally strong balance sheet.

Céline S. Dufétel



Chief Financial Officer
and Treasurer

ROLE CONSIDERATIONS

- Leadership, responsibility and performance as CFO and Treasurer, and chair of the Risk and Operational Steering Committee. Includes leadership of global capital markets in addition to existing responsibilities.

INDIVIDUAL ACHIEVEMENTS

- Enhanced strategic and financial success metrics.
- Led quarterly business reviews and success metrics.
- Hired talented executives to strengthen Office functions and strategy.
- Continued to strengthen the firm's operational performance.
- Key contributor on Management Committee. Serves an integral role at P.
- Advanced stockholder engagement community in both the U.S.

Robert W. Sharps



Head of Investments
and Group Chief
Investment Officer

ROLE CONSIDERATIONS

- Leadership, responsibility, and performance as Head of Investments (including global trading), Group Chief Investment Officer, and chair of the Investment Management Steering Committee.

INDIVIDUAL ACHIEVEMENTS

- Strong investment performance over three-, five-, and 10-years against peers, particularly across equity, with further strengthening of the investment teams.
- Guided fixed income leadership transition to Andrew McCormick, following retirement of Edward A. Weiss.
- Provided leadership of the five-person chief investment officer group that continues to represent our investment divisions with distinction.
- Served as director of the Price funds' board and as integral presenter at Price Group board meetings.
- Key contributor on the Management, Management Compensation and Product Strategy Committees. Serves in an important leadership role on the U.S. Equity, International Equity, and Fixed Income Steering Committees.

Christopher D. Alderson



Co-Head of
Global Equity

ROLE CONSIDERATIONS

- Leadership, responsibility, and performance as Co-Head of Global Equity, Head of International Equity, and chair of the International Equity Steering Committee.

INDIVIDUAL ACHIEVEMENTS

- Investment performance for international equity remained very strong over three-, five-, and 10-years against peers and against benchmarks.
- Central leadership role in developing the talent and culture of the team to deliver excellent results at scale.
- Worked with Product team to deliver on three-year product road map for international equity and led the development of the China Evolution strategy.
- Key contributor on the Management, Management Compensation, Investment Management Steering, and Product Strategy Committees.
- Advanced the implementation plan to strengthen the International Equity leadership team.

Eric L. Wief



Co-Head of
Global Equity

ROLE CONSIDERATIONS

- Leadership, responsibility, and performance as Co-Head of Global Equity, Head of U.S. Equity, and chair of the U.S. Equity Steering Committee.

INDIVIDUAL ACHIEVEMENTS

- Investment performance for U.S. equity remained very strong across the three-, five- and 10-years against peers and solid against benchmarks.
- Successfully managed transitions after departure of U.S. Small-Cap Growth portfolio manager and team. Rebuilt depth of investment talent throughout rest of 2019.
- Made substantial progress on integration of ESG into investment process.
- Managed implementation of the process to pay for third-party investment research in the U.S.
- Key contributor on the Management, Investment Management Steering, Multi-Asset Steering, and Product Strategy Committees.

Discover

INDIVIDUAL PERFORMANCE (PAGES 35 TO 36)

[https://s23.q4cdn.com/669804705/files/doc_financials/2019/ar/364897\(1\)_46_Discover_NPS_WR2.pdf](https://s23.q4cdn.com/669804705/files/doc_financials/2019/ar/364897(1)_46_Discover_NPS_WR2.pdf)

Individual Performance

The Compensation Committee considers individual performance in making final compensation decisions for each NEO, both as it relates to an individual's specific objectives as well as each individual's relative role impact, experience, internal pay equity, and contributions to the success of the overall enterprise. As noted above, as part of its compensation determinations, the Compensation Committee also assesses each NEO's contributions to the success of the business in strengthening its risk management, internal controls, and compliance practices, which reinforces these objectives as priorities throughout the organization. The Compensation Committee believes this holistic approach optimizes the link between executive rewards and the benefits to shareholders. Highlights of individual performance and contributions are described below.

ROGER C. HOCHSCHILD

Chief Executive Officer and President

2019 COMPENSATION



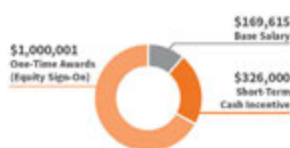
Key Achievements

- Drove significant year over year PBTR growth
- Led operating areas to achieve strong lending, deposits and payments growth and profitability
- Progressed new capabilities across collections, underwriting, and servicing
- Recruited new Executive Committee members and multiple key officer roles
- Continued progress on Company operating efficiency: invested in technology talent while maintaining flat headcount elsewhere through organizational efficiencies
- Introduced new Discover Behaviors to drive culture
- Supported maturing AML program, which resulted in termination of Federal Reserve Board written agreement in 2020

JOHN T. GREENE

Executive Vice President, Chief Financial Officer

2019 COMPENSATION



Key Achievements

- Seamlessly transitioned into role of Chief Financial Officer
- Enhanced business unit finance processes for reporting and investment
- Maintained strong investor relations following transition from former CFO
- Supported CECL implementation

DIANE E. OFFEREINS

Executive Vice President, President - Payment Services

2019 COMPENSATION



Key Achievements

- Delivered strong performance in profits and
- Increased growth and agreements
- Signed new and renewed

Compensation Discussion and Analysis

JULIE A. LOEGER

Executive Vice President, President - US Cards

2019 COMPENSATION



Key Achievements

- Drove year-over-year growth in sales, receivables, and new accounts
- Implemented a new product strategy to generate growth through secured, retail, student, and small business card segments
- Drove new accounts and incremental sales through new agreements with top tier strategic partners
- Modernized servicing infrastructure to increase efficiency
- Drove award winning customer satisfaction in Mobile Credit Card Apps, Credit Card Website, and Small Business Credit Cards
- Supported maturing risk management, including regulatory risk

WANJIKU J. WALCOTT

Executive Vice President, Chief Legal Officer and General Counsel

2019 COMPENSATION



Key Achievements

- Seamlessly transitioned into role of General Counsel
- Provided leadership and guidance to management and the Board of Directors on legal and governance matters
- Provided strong leadership and counsel in ongoing innovation, litigation, strategy and business initiatives
- Legal function supported risk management programs

R. MARK GRAF

Former Executive Vice President, Chief Financial Officer

2019 COMPENSATION



Key Achievements

- Seamlessly facilitated transition to new Chief Financial Officer
- Created and implemented robust framework for economic downturn preparation
- Continued strength in investor relations, including industry recognition for this function
- Prepared the Company, investors, analysts and rating agencies for post CECL environment
- Further accelerated savings through successful corporate procurement initiatives
- Repositioned Company's balance sheet to be more flexible and better meet the needs of the business

* Reflects cash and equity awards to provide replacement value of forfeited equity; cash payment subject to repayment for voluntary termination within two-year of vest date.

Peer Groups

King & Spalding Commentary

To be blunt, many investors unfairly assume that a Company's peer group was designed primarily to increase executive compensation. To combat that misperception, the best peer group disclosures explain why a peer group (or peer groups) were selected and offer comparative quantitative data to explain how the Company stacks up against its peers.

ConocoPhillips

COMPENSATION REFERENCE GROUP AND METHODOLOGY (PAGES 65 TO 66)

<https://static.conocophillips.com/files/resources/2020-conocophillips-proxy-final.pdf>

Compensation Discussion and Analysis

Setting Target Compensation - Compensation Reference Group

Compensation Reference Group and Methodology

The HRCC regularly assesses the market competitiveness of our executive compensation program based on data from a compensation reference group. The compensation reference group is made up of 12 energy industry companies and 12 similarly sized general industry companies that are comparable to ConocoPhillips in terms of size, scope, and compensable factors. This reference group was selected because the companies, as a whole, represent organizations of similar size, scale, complexity and global reach as ConocoPhillips. Accordingly, in analyzing the appropriate composition of the reference group that would help inform 2019 target compensation decisions, the HRCC considered the following criteria:

- (1) companies with which we compete for business opportunities and executive talent;
- (2) companies with significant operations and capital investments, medium- and long-term project investment cycles, and complex global operations;
- (3) size, including revenues, assets, and market capitalization; and
- (4) industry focus, particularly companies in the energy industry.

Compensation Reference Group

> 3M Company	> Exxon Mobil Corporation*	> Merck & Co., Inc.
> Bristol-Myers Squibb Company	> General Dynamics Corporation	> Northrop Grumman Corporation
> Anadarko Petroleum Corporation*	> Honeywell International Inc.	> Occidental Petroleum Corporation*
> Apache Corporation*	> Halliburton Company*	> Phillips 66*
> Caterpillar Inc.	> Johnson & Johnson	> Pfizer Inc.
> Chevron Corporation*	> Lockheed Martin Corporation	> ...
> Cummins Inc.	> Marathon Oil Corporation*	> ...
> Devon Energy Corporation*	> Marathon Petroleum Corporation*	> ...

*Energy industry companies

The data is used to assess the competitive market value for executive jobs, assess pay practices, validate targets for pay programs, test the compensation strategy, observe trends, and provide a general competitive foundation for decision making. Our compensation reference group had 2018 annual revenues ranging from \$5.8 billion to \$279.3 billion and median revenues of \$34.5 billion (for 2018, we had revenues of \$37.5 billion) and year-end 2018 market cap ranging from \$10.0 billion to \$346.1 billion and median market cap of \$46.5 billion (for 2018, we had a market cap of \$71.8 billion).

Mercer gathers and performs an analysis of market data for each NEO, comparing each of their individual components of compensation, as well as total compensation, to that of the compensation reference group. This competitive analysis consists of comparing the market data of each of the pay elements and total compensation at the 25th, 50th, and 75th percentiles of the compensation reference group to compensation for each of our NEOs. Total compensation for each NEO is structured to target market competitive pay levels at approximately the 50th percentile in base salary and short- and long-term incentive opportunities, taking into account responsibilities and duties, experience, individual performance, and other factors. The HRCC's independent consultant, FW Cook, reviews and independently advises on the compensation benchmarking. In reviewing 2019 target compensation for the CEO, the HRCC considered the performance of ConocoPhillips during its tenure as CEO and the relative positioning of target compensation for Mr. Lance as compared to the market median of the compensation reference group. Based on these considerations and Mr. Lance's strong execution of the company's disciplined returns-focused value proposition, the HRCC increased Mr. Lance's STP target awards for 2019 by \$1 million (see the Grants of Plan-Based Awards table on page 88-89). This was the first increase in Mr. Lance's overall target direct compensation since 2015.

Measuring Performance - Performance Peer Group

Our performance peer group is used to evaluate relative business results in both our annual incentive and performance share programs. This includes both relative TSR and relative Adjusted ROCC/ROCE. The HRCC believes our performance is best measured against both large independent E&P companies with diverse portfolios and the largest publicly held, international, integrated oil and gas companies that we compete against in our business operations. We believe that our performance peer group is representative of the companies that investors use for relative performance comparisons.

The tables below show the performance peer group that was established for evaluating both relative TSR and relative Adjusted ROCC/ROCE for the periods indicated.

Performance Peer Group for 2019 VOP

> Anadarko Petroleum Corporation*	> EOG Resources, Inc.	> Noble Energy, Inc.
> Apache Corporation	> Exxon Mobil Corporation	> Occidental Petroleum Corporation
> Chevron Corporation	> Hess Corporation	> ...
> Devon Energy Corporation	> Marathon Oil Corporation	> ...

Performance Peer Group for PSP 17

TSR performance period running from January 2017 through December 2018

> Anadarko Petroleum Corporation*	> Devon Energy Corporation	> Occidental Petroleum Corporation
> Apache Corporation	> Exxon Mobil Corporation	> Royal Dutch Shell plc
> BP plc	> Marathon Oil Corporation	> Total SA
> Chevron Corporation	> ...	> ...

*In August 2018, Occidental Petroleum Corporation acquired Anadarko Petroleum Corporation. Each of Occidental Petroleum Corporation and Anadarko Petroleum Corporation were in our performance peer group during the respective performance periods after the acquisition; we retained only the combined company for the full performance period.

Effective for the annual incentive and performance share programs commencing in 2020, the S&P 500 Total Return Index will be added to the performance peer group for relative TSR metrics only, which will broaden the performance benchmark beyond industry peers. The HRCC believes that adding the index to the performance peer group is appropriate because the index reflects the companies that we compete with for capital in the broader market. Additionally, the inclusion of the index as a performance peer further aligns executive pay with long-term stockholder interests as we will be required to outperform both industry peers and a market-based index to receive a maximum payout.

ConocoPhillips

Walmart

HOW IS PEER GROUP DATA USED BY THE CMDC? (PAGES 48 TO 49)

https://s2.q4cdn.com/056532643/files/doc_financials/2020/ar/2020-Proxy.pdf

How is peer group data used by the CMDC?

The CMDC reviews publicly available compensation information from peer companies when establishing TDC for our executives. In early fiscal 2019, with the assistance of Pay Governance, the CMDC developed a new, simpler and more focused peer group to replace the three peer groups used in the past. This new peer group aims to reflect a cross-industry sample of the largest U.S.-based companies, including large retailers and companies with significant and complex international operations. These peer group companies were selected using the following multi-step screening process:

CEO Compensation Peer Group Screening Methodology



AmerisourceBergen Corporation	Costco Wholesale Corporation	Johnson & Johnson	Target Corporation
Anthem, Inc.	CVS Health Corporation	JPMorgan Chase & Co.	UnitedHealth Group Incorporated
Apple Inc.	DowDuPont Inc.	The Kroger Co.	United Technologies Corporation
AT&T Inc.	Express Scripts Holding Co.	Lockheed Martin Corporation	United Parcel Service, Inc.
Bank of America Corporation	Exxon Mobil Corporation	Lowe's Companies, Inc.	Valero Energy Corporation
The Boeing Company	Ford Motor Company	McKesson Corporation	Verizon Communications Inc.
Cardinal Health, Inc.	General Electric Company	Microsoft Corporation	Walgreens Boots Alliance, Inc.
Caterpillar Inc.	General Motors Company	PepsiCo, Inc.	The Walt Disney Company
Chevron Corporation	The Home Depot, Inc.	Pfizer Inc.	
Citigroup Inc.	International Business Machines Corporation		
Comcast Corporation	Intel Corporation		

While we believe that this peer group provides a simplified and more straightforward comparison to a broad range of companies with complex, international operations, Walmart is still significantly larger than the peer group median by a variety of measures, as shown in the following chart:

Walmart Positioning Relative to Compensation Peer Group (as of fiscal year end 2019)



The CMDC uses benchmarking data as a general guide to appropriately set competitive compensation consistent with our emphasis on performance-based compensation.

While the benchmarking data generally are used for comparable positions, the CMDC also reviews peer group data for retail CEO positions for purposes of benchmarking the compensation of our executives who lead our operating segments. These executives have significant responsibilities and lead organizations that, considered separately from the rest of our company, are larger than many of the other retailers in the peer group, and we believe that these positions are often comparable to or carry greater responsibilities than CEO positions at many of our peer group companies. In addition, from a competitive standpoint, we believe that it is more likely that these leaders would be recruited for a CEO position in the retail industry or elsewhere, rather than for a lateral move to lead an operating segment of a company.

EXECUTIVE COMPENSATION

Compensation Peer Group

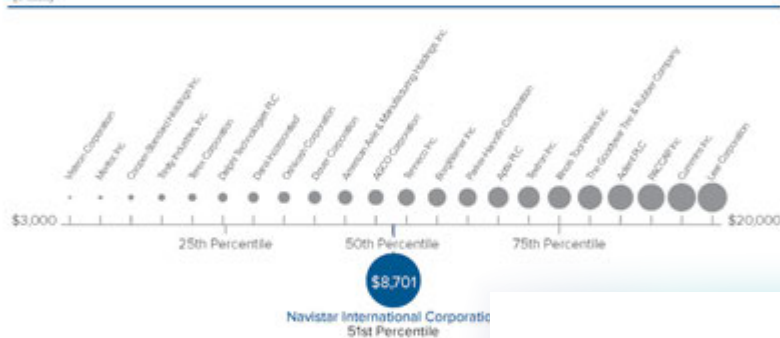
Annually, we conduct a peer company review to determine whether our comparator companies continue to meet our criteria for inclusion. For 2019, management recommended, and the Compensation Committee approved, the following changes to our peer group. We removed Masco Corporation from our peer group and added three companies (Adient plc, American Axle & Manufacturing Holdings, Inc. and Delphi Technologies PLC) to our peer group. Masco Corporation was removed because it no longer met Navistar's peer industry criteria as a non-automotive/heavy truck operation. Adient plc, American Axle & Manufacturing Holdings, Inc. and Delphi Technologies PLC were added because these entities meet several of our criteria specific to industry, company type/geography, size, and qualitative factors.

We continue to select companies in overall size to Navistar with consideration being given to companies that meet one or more of the following criteria:

- Included in the Aerospace and Defense, Construction Machinery and Heavy Trucks, Industrial Machinery, Auto Parts and Equipment, Tires and Rubber or Agricultural and Farm Machinery sub-industries (i.e., primary industries), as defined by the S&P Global Industry Classification Standard ("GICS")
- Headquarters or primary operations are in the U.S. (preference for companies headquartered in the Midwest)
- Names Navistar as a peer group company
- Similar revenues
- Was included in the prior year's peer group

Navistar's 2019 peer group consists of the following 22 companies:

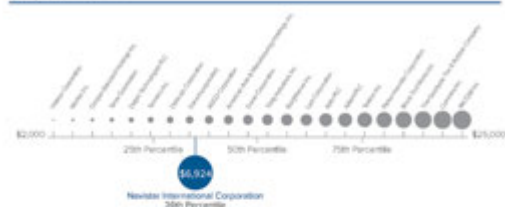
3-Year Average Revenues⁽¹⁾ (\$ mil.)



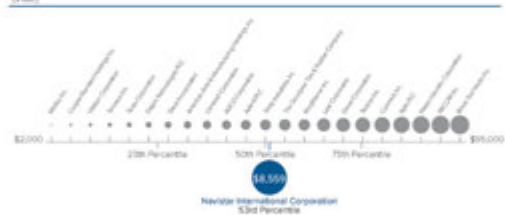
⁽¹⁾ Average of trailing 12-month revenues, as of August 31, 2016, 2017, and 2018 (excluding revenues as of August 2018 only; 2016 and 2017 data were not applicable, because before American Axle's acquisition of Metaldyne and did not provide meaningful revenue year average for American Axle much lower).

EXECUTIVE COMPENSATION

TRAILING 12 MONTHS ASSETS (\$ mil.)



TRAILING 12 MONTHS ENTERPRISE VALUE (\$ mil.)



With respect to the above table:

- All financial and market data are taken from Standard & Poor's Capital IQ database.
- All data is as of August 31, 2018 unless otherwise noted.
- All data shown as reviewed by the Compensation Committee at the time of the peer group approval.

External Market Compensation Review

The Compensation Committee reviews various components of our executive compensation program to ensure that (1) pay opportunities are competitive with the external market, (2) there is an appropriate link between performance and pay, and (3) the program supports our stated compensation philosophy.

Use of Comparative Compensation Data and Compensation Philosophy

The HRC Committee reviews the compensation of our Section 16 officers in comparison to that of executives in similar positions at our peer group companies. Our peer group includes companies we compete with for executive talent due to our geographical proximity and technology industry overlap. The HRC Committee takes size differentiations into consideration when reviewing the results of market data analysis. The HRC Committee uses this information to evaluate how our pay levels and practices compare to market practices.

When determining the peer group, the following characteristics were considered:

- Direct talent market peers.
- US-based companies in the technology sector (excluding distributors, contract manufacturers and outsourced services/IT consulting) with revenues between ~\$10 billion and \$250 billion and market cap between ~\$7 billion and \$175 billion.
- Select general industry companies (industrials, consumer products and telecom) generally meeting size and business criteria that are top-brands.
- Review of the peer companies chosen by companies within our proposed peer group and peer business similarity, to evaluate relevance.

We believe the resulting peer group provides HP and the HRC Committee with a valid comparison and benchmark for the Company's executive compensation program and governance practices. For fiscal 2019, the HRC Committee added Apple (direct peer) and Micron Technology (size-appropriate technology company). The HRC Committee also removed Amazon, Procter & Gamble and Verizon as all exceeded size range and were not direct peers. The HP peer group for fiscal 2019, as approved by HRC Committee, consisted of the following companies:

Fiscal 2019 Peer Group

Company	Revenue (FYE - \$Bn)*
Apple Inc.	\$260.2
Microsoft Corporation	\$125.8
General Electric Company	\$121.6
IBM Corporation	\$79.6
Intel Corporation	\$70.8
PepsiCo, Inc.	\$64.7
HP Inc.	\$58.8
Cisco Systems, Inc.	\$51.9
Honeywell International Inc.	\$41.8
Oracle Corporation	\$39.5
Nike, Inc.	\$39.1
Hewlett Packard Enterprise Company	\$29.1
Qualcomm Incorporated	\$24.3
Micron Technology, Inc.	\$23.4
Western Digital Corporation	\$16.6
Texas Instruments Incorporated	\$15.8
Seagate Technology PLC	\$10.4
Xerox Corporation	\$9.8

* Represents fiscal 2019 reported revenue, except fiscal 2018 reported revenue is provided for General Electric, Honeywell, IBM, Intel, PepsiCo, Texas Instruments and Xerox.

Tanger

ROLE OF THE COMPENSATION CONSULTANT AND USE OF AGGREGATE PEER GROUP DATA (PAGES 27 TO 28)

http://eproxymaterials.com/interactive/skt2020proxy/template/download.php?fn=skt2020proxy_download.pdf

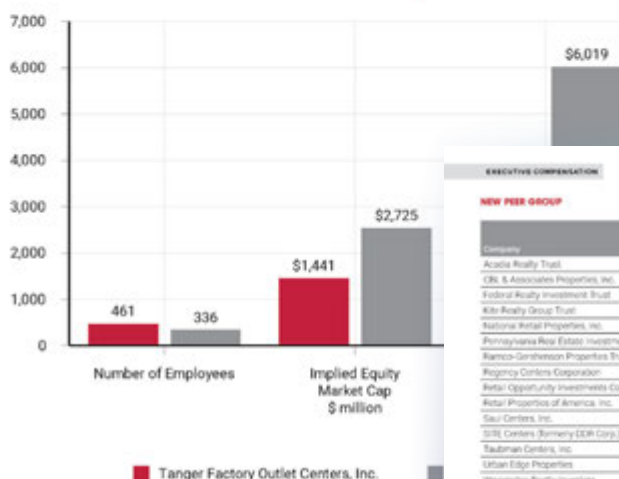
EXECUTIVE COMPENSATION

FORMER PEER GROUP

Company	# of Employees (1)	Implied Equity Market Cap \$ million	Total Capitalization \$ million	Sector
Acadia Realty Trust	118	\$ 2,387.3	\$ 4,874.5	Shopping Center
Brixmor Property Group Inc.	477	6,436.7	11,342.6	Shopping Center
CBL & Associates Properties, Inc.	NA	210.2	4,422.6	Regional Mall
Federal Realty Investment Trust	311	9,802.8	13,604.9	Shopping Center
Kimco Realty Corporation	502	8,961.8	14,896.1	Shopping Center
Kite Realty Group Trust	133	1,681.0	2,865.4	Shopping Center
Macerich Company	730	4,088.9	9,611.8	Regional Mall
National Retail Properties, Inc.	70	9,206.2	12,549.4	Other Retail
Regency Centers Corporation	450	10,619.2	14,802.1	Shopping Center
Retail Opportunity Investments Corp.	73	2,252.5	3,679.6	Shopping Center
SITE Centers (formerly DDR Corp.)	361	2,714.8	4,930.9	Shopping Center
Taubman Centers, Inc.	420	2,724.9	6,685.2	Regional Mall
Urban Edge Properties	117	2,439.8	4,069.3	Shopping Center
Washington Prime Group Inc.	803	806.5	4,080.3	Regional Mall
Weingarten Realty Investors	239	4,065.4	6,018.6	Shopping Center
Tanger Factory Outlet Centers, Inc.	461	\$ 1,440.6	\$ 3,101.7	Outlet Center

(1) Consists of full-time equivalent employees working for the company and its subsidiaries. Assumes two part-time employees equal one full-time employee, but excludes temporary employees.

As of December 31, 2019



WWW.TANGEROUTLETS.COM

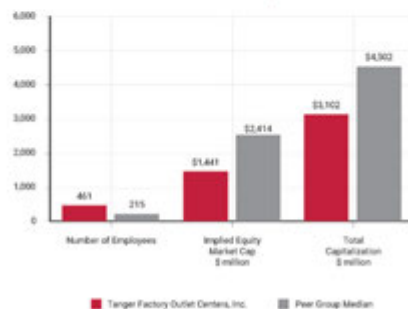
EXECUTIVE COMPENSATION

NEW PEER GROUP

Company	# of Employees (1)	Implied Equity Market Cap \$ million	Total Capitalization \$ million	Sector
Acadia Realty Trust	118	\$ 2,387.3	\$ 4,874.5	Shopping Center
CBL & Associates Properties, Inc.	NA	210.2	4,422.6	Regional Mall
Federal Realty Investment Trust	311	9,802.8	13,604.9	Shopping Center
Kite Realty Group Trust	133	1,681.0	2,865.4	Shopping Center
National Retail Properties, Inc.	70	9,206.2	12,549.4	Other Retail
Pennsylvania Real Estate Investment Trust	274	434.1	2,503.3	Regional Mall
Ramco-Gresham Properties Trust (RPT)	804	1,226.7	2,277.0	Shopping Center
Regency Centers Corporation	450	10,619.2	14,802.1	Shopping Center
Retail Opportunity Investments Corp.	73	2,252.5	3,679.6	Shopping Center
Retail Properties of America, Inc.	215	2,862.2	4,581.9	Shopping Center
Sau Center, Inc.	116	1,645.6	2,823.4	Shopping Center
SITE Centers (formerly DDR Corp.)	361	2,714.8	4,930.9	Shopping Center
Taubman Centers, Inc.	420	2,724.9	6,685.2	Regional Mall
Urban Edge Properties	117	2,439.8	4,069.3	Shopping Center
Weingarten Realty Investors	239	4,065.4	6,018.6	Shopping Center
Washington Prime Group, Inc.	803	806.5	4,080.3	Regional Mall
Tanger Factory Outlet Centers, Inc.	461	\$ 1,440.6	\$ 3,101.7	Outlet Center

(1) Consists of full-time equivalent employees working for the company and its subsidiaries. Assumes two part-time employees equal one full-time employee, but excludes temporary employees.

As of December 31, 2019



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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

Executive peer group

For 2019, the executive peer group consisted of the companies identified below (which remained the same as in the previous year), as recommended by the Committee's independent compensation consultant and approved by the Committee. The companies in this executive peer group were selected because (1) their performance was monitored regularly by the same market analysts who monitor the performance of 3M (investment peers), and/or (2) they met criteria based on similarity of their business and pay models, market capitalization (based on an eight-quarter rolling average), and annual revenues and compete with 3M for talent or capital.

(Dollars in millions)		Trailing Eight-Quarter Average Market Capitalization	
Latest Four Quarters Revenues			
General Electric Company	\$95,214	Johnson & Johnson	\$357,993
Johnson & Johnson	\$82,059	The Procter & Gamble Company	\$258,771
United Technologies	\$77,046	Medtronic plc	\$132,027
The Procter & Gamble Company	\$69,594	Honeywell International, Inc.	\$116,945
Caterpillar Inc.	\$53,800	United Technologies Corporation	\$109,629
Deere & Company	\$38,880	3M Company	\$106,606
Honeywell International, Inc.	\$36,709	General Electric Company	\$91,417
3M Company	\$32,136	Danaher Corporation	\$91,106
Medtronic plc	\$31,062	Caterpillar Inc.	\$77,953
Johnson Controls International plc	\$24,080	Deere & Company	\$50,140
Eaton Corporation plc	\$21,390	Illinois Tool Works Inc.	\$49,275
Kimberly-Clark Corporation	\$18,450	Kimberly-Clark Corporation	\$43,137
Emerson Electric Co.	\$18,376	Emerson Electric Co.	\$42,392
Danaher Corporation	\$17,911	Eaton Corporation plc	\$35,127
Illinois Tool Works Inc.	\$14,109	Johnson Controls International plc	\$31,431
TE Connectivity Ltd.	\$13,269	TE Connectivity Ltd.	\$29,847
Corning Incorporated	\$11,503	Corning Incorporated	\$23,820
75th Percentile	\$57,749	75th Percentile	\$111,458
Mean	\$38,966	Mean	\$96,313
Median	\$27,571	Median	\$64,047
25th Percentile	\$18,260	25th Percentile	\$40,576
3M Percentile Rank	55%	3M Percentile Rank	72%

All data shown was obtained from Standard & Poor's Capital IQ. Revenues are stated in millions for the latest four quarters disclosed as of February 28, 2020. Market Capitalizations are stated in millions as of February 28, 2020. Given the significant impact that the spinoffs of two independent public companies (Dow Inc. and Corteva, Inc.) had on the revenues and market capitalization of DuPont de Nemours, Inc. (formerly DowDuPont Inc.), the table above does not include information for such entity.

The Committee, with assistance from its independent compensation consultant, periodically reviews the composition of the executive peer group to determine whether any changes are appropriate. Following its review in August 2019, the Committee determined that no changes were needed at that time.

The Company receives pay data and information on the executive compensation practices at the companies in 3M's executive peer group from Aon and FW Cook.

Colgate-Palmolive

COMPARISON GROUP (PAGES 32 TO 33)

<https://investor.colgatepalmolive.com/static-files/97f15c8b-41ca-4e7a-a722-8e513e5d4f45>

Comparison Group

The Company uses comparative compensation data from a group of other leading companies, referred to in this CD&A as the "Comparison Group," as a point of reference in designing its compensation programs and in setting compensation levels. The P&O Committee does not use this comparative data as the determinative factor in setting compensation levels but rather as a single component in its effort to verify that the Company's compensation programs are reasonable and competitive in light of compensation levels at similarly situated companies. The P&O Committee also reviews the Company's performance against the Comparison Group for purposes of making awards that are based on relative performance measures, including the long-term incentive awards granted under the new Growth Performance Plan and the legacy Long-Term Global Growth Program.

The Comparison Group is selected to include companies of similar size and complexity to the Company (including the Company's substantial international operations) and to represent both the market for executive talent in which the Company competes as well as the Company's peer companies from a performance and investment perspective. It is comprised primarily of fast-moving consumer goods companies with product portfolios consisting of globally recognized brands that are similarly situated to the Company in terms of overall size or performance against relevant measures. The Company's revenues and market capitalization are at the 30th and 53rd percentiles, respectively, of the Comparison Group.

The companies comprising the Comparison Group are approved by the P&O Committee after taking into account observations and recommendations of management and FW Cook.

For 2019, the P&O Committee determined not to make any changes to the Comparison Group, so it remained unchanged from 2018 and consisted of the following 15 companies:

COMPARISON GROUP

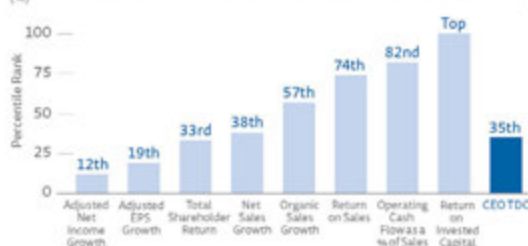
• Campbell Soup Company	• General Mills, Inc.	• Mond�lez International, Inc.
• The Clorox Company	• Johnson & Johnson	• PepsiCo, Inc.
• The Coca-Cola Company	• Kellogg Company	• The Procter & Gamble Company
• Conagra Brands, Inc.	• Kimberly-Clark Corporation	• Reckitt Benckiser Group plc
• The Est�e Lauder Companies Inc.	• The Kraft Heinz Company	• Unilever N.V.

Executive Compensation

Compensation data are collected for these companies for all of the Company's three primary compensation components (base salary, annual incentive pay and long-term incentive pay), both individually and in the aggregate, as well as for indirect compensation elements such as perquisites and retirement benefits.

The Company's adjusted net income growth, adjusted earnings-per-share growth, total shareholder return, net sales growth, organic sales growth, return on sales, operating cash flow as a percentage of sales, return on invested capital and CEO total direct compensation relative to the Comparison Group in 2019 were as follows:

COLGATE 2019 PERFORMANCE RELATIVE TO COMPARISON GROUP*



* Adjusted net income growth, adjusted earnings-per-share growth and organic sales growth reflect the adjustments described in Annex A to Colgate's net income, earnings per share and net sales growth, respectively, and comparable adjustments to peer companies' net income, earnings per share and net sales growth.

Huntington Bancshares

MARKET REFERENCING (PAGE 54)

<http://huntington-ir.com/fin/proxy/hbanx20.pdf>

Compensation of Executive Officers

Market Referencing

The Compensation Committee regularly reviews peer and industry information concerning levels of compensation and performance as a competitive frame of reference. The Compensation Committee uses this information and analysis as a benchmarking reference for setting pay opportunities and making pay decisions, such as changes to base salaries, annual incentive awards, and long-term incentive grants. A key source of information is a peer group of regional banks similar to Huntington in terms of size and business model.

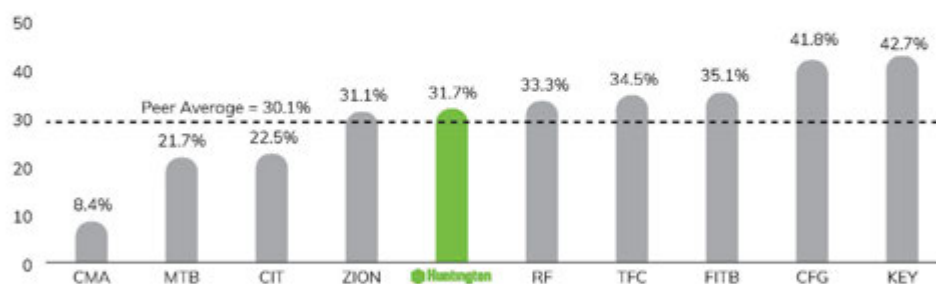
Peer Banks for 2019

BB&T Corporation (TFC)	KeyCorp (KEY)
CIT Group Inc. (CIT)	M&T Bank Corporation (MTB)
Citizens Financial Group, Inc. (CFG)	Regions Financial Corporation (RF)
Comerica Incorporated (CMA)	SunTrust Banks, Inc. (TFC)
Fifth Third Bancorp (FITB)	Zions Bancorporation (ZION)

The peer banks are chosen each year using an objective process recommended by the independent compensation consultant and approved by the Compensation Committee. The process began with the selection of U.S. based publicly traded commercial banks considering asset size as of December 31, 2018. A number of banks with relevant asset size were eliminated due to a business model which included one or more of: international process or focus, a focus on different services, or off-shore headquarters. The resulting group was the same as in 2017 and 2018 and consisted of ten bank holding companies; seven larger and three smaller, positioning Huntington between the 25th and the 50th percentile for asset size. The Compensation Committee chose the ten peers to represent the most appropriate market comparators for Huntington in terms of industry and size. The independent compensation consultant also provided the Compensation Committee with industry surveys as appropriate to supplement the peer group data. When using survey data, the information was reflective of Huntington's size and industry. This included utilizing size adjusted comparisons representing data from companies that fell closest to our asset size.

The Compensation Committee also relied on the independent compensation consultant to provide a broader industry perspective of emerging trends and best practices. Among the peer and industry data considered in 2019 were three-year total shareholder return relative to peers, three-year relative performance in incentive measures and realizable pay over the prior three years relative to peers. With the assistance of the independent compensation consultant, the Compensation Committee performs a pay and performance analysis on an annual basis to review the appropriateness of the company's executive compensation program. The Compensation Committee determined that the pay and performance analyses for the year 2018 and for the period 2016 - 2018 reflected appropriate alignment between actual pay and relative performance.

2019 Total Shareholder Return



The Compensation Committee selected a modified peer group for the PSU awards granted in 2019. See Long-Term Incentive Compensation below.

Healthpeak Properties

PEER COMPANY COMPARISON (PAGE 52)

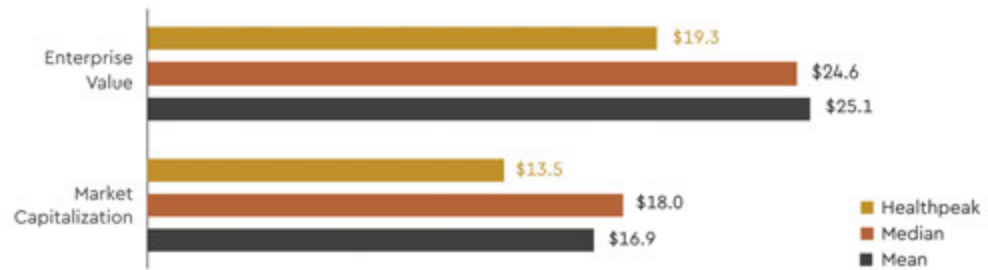
https://filecache.investorroom.com/mr5ir_healthpeakproperties/424/Healthpeak%20Properties_Proxy_2020.pdf

PEER COMPANY COMPARISON

The 2019 compensation peer companies were selected in 2018 and consist of S&P 500 equity REITs with market capitalizations the Compensation Committee believed comparable to Healthpeak. In making its compensation comparisons, the Committee took into account, among other things, Healthpeak's enterprise value and market capitalization compared to the peer companies, as shown below:

AS OF DECEMBER 31, 2018*

(in billions)



* Source: S&P Global for Market Capitalization and Total Assets; KeyBanc for Enterprise Value.

Retirement and Benefits Disclosures

King & Spalding Commentary

Investors are asking increasingly sophisticated questions about retirement programs and other benefits. Given the complexity associated with many of these benefits, clear disclosure here helps avoid confusion.

United Technologies (now Raytheon Technologies)

OTHER COMPENSATION ELEMENTS (PAGES 58 TO 59)

<https://investors.rtx.com/static-files/9122104b-b18b-40fb-a4fa-f78b51e60eee>

COMPENSATION DISCUSSION AND ANALYSIS																			
<h2>Other Compensation Elements</h2> <h3>Retirement and Deferred Compensation Benefits</h3> <p>Retirement and deferred compensation plans help UTC attract and retain talented executives. Over the years, the Committee has modified these programs to maintain a competitive position within an evolving market. We believe the overall design of our retirement and deferred compensation programs is consistent with compensation practices in the marketplace and provides participating executives with benefits that approximate the Compensation Peer Group market median.</p> <p>Below are brief descriptions of each retirement and deferred compensation arrangement we offer. See the Pension Benefits and the Nonqualified Deferred Compensation sections on pages 70-74 for more details.</p> <table> <tr> <th>Plan</th><th>Description</th></tr> <tr> <td>UTC Pension Plan (formerly known as the UTC Employee Retirement Plan)</td><td>A tax-qualified defined benefit pension plan that provides retirement benefits to employees hired prior to January 1, 2010. Effective December 31, 2014, participants hired prior to July 1, 2002, who had been covered by a final average earnings ("FAE") formula of this plan transitioned to a Cash Balance formula, which was already in effect for participants hired on or after July 1, 2002. Under the Cash Balance formula, participants earn two types of credits — pay credits and interest credits. See page 71 for additional details on these formulas. Effective December 31, 2019, this plan was frozen, other than with respect to interest credits on Cash Balance accounts in the plan. Active participants who were previously eligible for Cash Balance benefits under this plan became eligible for equivalent age-based contributions under the UTC Employee Savings Plan beginning January 1, 2020.</td></tr> <tr> <td>UTC Pension Preservation Plan ("PPP")</td><td>An unfunded, nonqualified defined benefit pension plan that mirrors the benefit formulas, compensation recognition, retirement eligibility and vesting provisions of the tax-qualified UTC Pension Plan. For employees hired prior to January 1, 2010, it provides pension benefits not provided under the tax-qualified pension plan because of Internal Revenue Code ("IRC") limits. Effective December 31, 2019, this plan was frozen, other than with respect to interest credits on Cash Balance accounts in the plan. Active participants who were previously eligible for Cash Balance benefits under this plan became eligible for equivalent age-based contributions beginning January 1, 2020.</td></tr> <tr> <td>UTC Employee Savings Plan</td><td>A tax-qualified defined contribution form of UTC stock units with a value plus annual bonus contributed by it. In 2010, receive an additional age-based to their UTC Employee Savings Plan prior to January 1, 2010, who previously participated in the UTC Employee Savings Plan. Cash Balance benefits previously provided by the UTC Pension Plan.</td></tr> <tr> <td>UTC Savings Restoration Plan</td><td>An unfunded, nonqualified plan that compensation to the extent such as qualified UTC Employee Savings Plan units at the same rate (50% of the plan Savings Plan, if not for IRC limits).</td></tr> <tr> <td>UTC Company Automatic Contribution Excess Plan</td><td>An unfunded, nonqualified plan that provides automatic contribution for amounts Savings Plan. For employees hired prior to January 1, 2010, who previously participated in UTC 3% to 8% of earnings. The plan also contributions to the UTC Employee Savings Plan.</td></tr> <tr> <td>UTC Deferred Compensation Plan</td><td>An unfunded, nonqualified plan that provides deferred compensation to participants who are eligible for the plan. The plan is subject to the UTC Employee Savings Plan.</td></tr> <tr> <td>UTC LTIP PSU Deferral Plan</td><td>An unfunded, nonqualified plan that provides deferred compensation to participants who are eligible for the plan. The plan is subject to the UTC Employee Savings Plan.</td></tr> </table>		Plan	Description	UTC Pension Plan (formerly known as the UTC Employee Retirement Plan)	A tax-qualified defined benefit pension plan that provides retirement benefits to employees hired prior to January 1, 2010. Effective December 31, 2014, participants hired prior to July 1, 2002, who had been covered by a final average earnings ("FAE") formula of this plan transitioned to a Cash Balance formula, which was already in effect for participants hired on or after July 1, 2002. Under the Cash Balance formula, participants earn two types of credits — pay credits and interest credits. See page 71 for additional details on these formulas. Effective December 31, 2019, this plan was frozen, other than with respect to interest credits on Cash Balance accounts in the plan. Active participants who were previously eligible for Cash Balance benefits under this plan became eligible for equivalent age-based contributions under the UTC Employee Savings Plan beginning January 1, 2020.	UTC Pension Preservation Plan ("PPP")	An unfunded, nonqualified defined benefit pension plan that mirrors the benefit formulas, compensation recognition, retirement eligibility and vesting provisions of the tax-qualified UTC Pension Plan. For employees hired prior to January 1, 2010, it provides pension benefits not provided under the tax-qualified pension plan because of Internal Revenue Code ("IRC") limits. Effective December 31, 2019, this plan was frozen, other than with respect to interest credits on Cash Balance accounts in the plan. Active participants who were previously eligible for Cash Balance benefits under this plan became eligible for equivalent age-based contributions beginning January 1, 2020.	UTC Employee Savings Plan	A tax-qualified defined contribution form of UTC stock units with a value plus annual bonus contributed by it. 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<h2>COMPENSATION DISCUSSION AND ANALYSIS</h2> <h3>Perquisites and Other Benefits</h3> <p>We provide our senior executives with the following benefits, which the Committee believes are consistent with market practice and contribute to recruitment and retention.</p> <table> <tr> <th>Perquisite/Benefit</th><th>Description</th></tr> <tr> <td>ELG Life Insurance</td><td>ELG members appointed prior to January 31, 2015, may receive company-funded life insurance coverage up to three times their base salary at age 62 (projected or actual).</td></tr> <tr> <td>ELG Long-Term Disability</td><td>The ELG long-term disability program provides an annual benefit upon disability that is equal to 50% of base salary plus target annual bonus.</td></tr> <tr> <td>Healthcare</td><td>ELG members are eligible to participate in the same health benefit program offered to other employees.</td></tr> <tr> <td>Executive Physical</td><td>ELG members are eligible for a comprehensive annual executive physical.</td></tr> <tr> <td>Executive Leased Vehicle</td><td>ELG members receive an annual allowance toward the cost of a leased vehicle. The value of the allowance varies by ELG appointment date. Lease payments above the annual allowance are paid directly to the lessor.</td></tr> <tr> <td>Financial Planning</td><td>ELG members are eligible to receive an annual financial planning benefit.</td></tr> <tr> <td>Personal Aircraft Usage</td><td>Our CEO is allowed personal use of the Corporate aircraft for up to 30 hours per year. The Committee believes this optimizes the efficient use of Mr. Hayes' time. Under this policy, Mr. Hayes also may be commercially subject to review by UTC security personnel. No other UTC employees are permitted to use the Corporate aircraft for personal reasons.</td></tr> <tr> <td>Security Arrangements</td><td>Mr. Hayes receives a security system benefit for his personal residence as a result of a third-party security assessment.</td></tr> </table> <p><small>*See footnote (5) to the Summary Compensation Table on page 69 for more details on these perquisites/benefits.</small></p>		Perquisite/Benefit	Description	ELG Life Insurance	ELG members appointed prior to January 31, 2015, may receive company-funded life insurance coverage up to three times their base salary at age 62 (projected or actual).	ELG Long-Term Disability	The ELG long-term disability program provides an annual benefit upon disability that is equal to 50% of base salary plus target annual bonus.	Healthcare	ELG members are eligible to participate in the same health benefit program offered to other employees.	Executive Physical	ELG members are eligible for a comprehensive annual executive physical.	Executive Leased Vehicle	ELG members receive an annual allowance toward the cost of a leased vehicle. The value of the allowance varies by ELG appointment date. Lease payments above the annual allowance are paid directly to the lessor.	Financial Planning	ELG members are eligible to receive an annual financial planning benefit.	Personal Aircraft Usage	Our CEO is allowed personal use of the Corporate aircraft for up to 30 hours per year. The Committee believes this optimizes the efficient use of Mr. Hayes' time. Under this policy, Mr. Hayes also may be commercially subject to review by UTC security personnel. No other UTC employees are permitted to use the Corporate aircraft for personal reasons.	Security Arrangements	Mr. Hayes receives a security system benefit for his personal residence as a result of a third-party security assessment.
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retirement programs and other benefits

NEOs, like all other employees, have retirement programs and other benefits as part of their overall compensation package at Chevron. We believe these programs and benefits support our long-term investment cycle and encourage retention and long-term employment.

retirement programs

All of our employees, including our NEOs, have access to retirement programs that are designed to enable them to accumulate retirement income. The defined benefit and defined contribution restoration plans allow highly compensated employees to receive the same benefits they would have earned without the IRS limitations on qualified retirement plans under the Employee Retirement Income and Security Act. The deferred compensation plan allows eligible employees to defer salary, CIP awards, and LTIP payouts.

Plan name	Plan type	How it works	What's disclosed
Chevron Retirement Plan ("CRP")	Qualified Defined Benefit (IRS §401(a))	Participants are eligible for a pension benefit when they leave the Company as long as they meet age, service, and other provisions under the plan.	In the "Summary Compensation Table" and the "Pension Benefits Table" in this Proxy Statement, we report the change in pension value in 2019 and the present value of each NEO's accumulated benefit under the CRP.
Chevron Retirement Plan ("RRP")	Nonqualified Defined Benefit	Provides participants with retirement income that cannot be paid from the CRP due to IRS limits on compensation and benefits. ⁽¹⁾	In the "Pension Benefits Table" and accompanying narrative in this Proxy Statement, we describe how the RRP works and present the current value of each NEO's accumulated benefit under the RRP.
Employee Savings Investment Plan ("ESIP")	Qualified Defined Contribution (IRS §401(k))	Participants who contribute a percentage of their annual compensation (i.e., base salary and CIP award) are eligible for a Company matching contribution, up to annual IRS limits. ⁽²⁾	In the footnotes to the "Summary Compensation Table" in this Proxy Statement, we describe Chevron's contributions to each NEO's ESIP account.
Employee Savings Investment Plan—Restoration Plan ("ESIP-RP")	Nonqualified Defined Contribution	Provides participants with an additional Company matching contribution that cannot be paid into the ESIP due to IRS limits on compensation and benefits. ⁽³⁾	In the footnotes to the "Nonqualified Deferred Compensation Table" in this Proxy Statement, we describe how the ESIP-RP works. In the "Summary Compensation Table" and the "Nonqualified Deferred Compensation Table," we present Chevron's contributions to each NEO's ESIP-RP account.
Deferred Compensation Plan ("DCP")	Nonqualified Defined Contribution	Participants can defer up to: <ul style="list-style-type: none"> • 90 percent of CIP awards and LTIP performance share payouts; and • 40 percent of the pay set 	In the "Nonqualified Deferred Compensation Table" in this Proxy Statement, we report the aggregate NEO deferrals and earnings in 2019.

(1) IRS annual compensation limit was \$280,000 in 2019.

(2) Participants who contribute at least 2 percent of their annual compensation to the ESIP receive a Company matching contribution of 8 percent (or 4 percent if they contribute 1 percent).

(3) Participants who contribute at least 2 percent of their base salary to the DCP receive an ESIP-RP Company matching contribution of 8 percent of their base salary that exceeds the IRS annual compensation limit.

The change in pension value disclosed in the Summary Compensation Table on page 52 is not a current cash payment. It represents the increase in the NEOs' pension value, which are paid only after retirement. The values are significantly higher in 2019 than those of past years, due to actuarial factors beyond the normal salary increases and age/service increments:

- Lower interest rates which increased the present value of pension benefits;
- Recent promotional pay increases, notably for Mr. Wirth who became CEO in February 2018; and
- Higher 2018 CIP awards, which increased the pensionable earnings in 2019.

Pension values will continue to fluctuate up or down, in any given year until an NEO's retirement, based on actuarial factors.

benefit programs

The same health and welfare programs, including post-retirement health care, that are broadly available to employees on our U.S. payroll also apply to NEOs, with no other special programs except executive physicals (as described below under Perquisites).

perquisites

Perquisites for NEOs consist principally of financial counseling fees, executive physicals, home security, and the aggregate incremental costs to Chevron for personal use of Chevron automobiles and aircraft. The MCC periodically reviews our practices and disclosures with respect to perquisites. In the "Summary Compensation Table" in this Proxy Statement, we report the value of each NEO's perquisites for 2019.

Pension Benefits

The company provides retirement benefits to the named executives based in the United States under the same GE Pension Plan and GE Supplementary Pension Plan in which other eligible U.S. employees participate. The GE Pension Plan is a funded, tax-qualified plan. The Supplementary Pension Plan is an unfunded, unsecured obligation of the company and is not qualified for tax purposes.

GE Pension Plan

ELIGIBILITY AND VESTING. The GE Pension Plan is a broad-based retirement program for U.S.-based employees that has been closed to new participants since 2012 (2011 for salaried new hires). Employees who began working at GE after the plan was closed, including Messrs. Culp and Cox, are not eligible for this plan. Those employees who are eligible vest in the plan after five years of qualifying service. The plan also requires employee contributions, which vest immediately. Beginning January 1, 2021, participants with salaried benefits will stop accruing benefits (and making contributions) under this plan and will become eligible for the automatic contributions available to new hires under the GE Retirement Savings Plan equaling 3% of eligible pay (up to the caps imposed under IRS rules), plus two years of transition credits equaling 2% of eligible pay.

BENEFIT FORMULA. For Ms. Miller and Messrs. Joyce and Stokes, the plan provides benefits based primarily on a formula that takes into account their earnings for each fiscal year (through 2020). Since 1989, this formula has provided an annual benefit accrual equal to 1.45% of a named executive's earnings for the year up to covered compensation and 1.3% of his or her earnings for the year in excess of covered compensation. "Covered compensation" was \$50,000 for 2019 (and will be \$60,000 in 2020) and has varied over the years based in part on changes in the Social Security taxable wage base. For purposes of the formula, annual earnings include base salary and up to one-half of bonus payments, but may not exceed an IRS-prescribed limit applicable to tax-qualified plans (\$280,000 for 2019). As a result, the maximum incremental annual benefit a named executive could have earned for service in 2019 was \$5,095. Over the years, we have made special one-time adjustments to this plan that increased eligible participants' pensions, but none of the named executives were eligible for the adjustment in 2019.

TIME AND FORM OF PAYMENT. The accumulated benefit an employee earns is payable after retirement on a monthly basis for life with a guaranteed minimum benefit of five years. The normal retirement age as defined in this plan is 65; however, employees who began working at GE prior to 2005, including Ms. Miller, and Messrs. Joyce and Stokes, may retire at age 60 without any reduction in benefits. In addition, the plan provides for Social Security supplements and spousal joint and survivor annuity options.

TAX CODE LIMITATIONS ON BENEFITS. The tax code limits the benefits payable under the GE Pension Plan. For 2019, the maximum single life annuity a named executive could have received under these limits was \$225,000 per year. This ceiling is actuarially adjusted in accordance with IRS rules to reflect employee contributions, actual forms of distribution and actual retirement dates.

GE Supplementary Pension Plan

ELIGIBILITY. The GE Supplementary Pension Plan is an unfunded and non-tax-qualified retirement program that is offered to eligible U.S.-based employees in the executive band and above, including the named executives. Employees generally must remain employed until age 60 in order to vest in a benefit under the plan. For those who became U.S. executives prior to January 1, 2011, including Ms. Miller and Messrs. Joyce and Stokes, the plan provides an annuity benefit above amounts available under the GE Pension Plan (a "supplementary pension benefit"). For those who became U.S. executives on or after January 1, 2011, including Messrs. Culp and Cox, the plan provides a retirement benefit paid in 10 annual installments (an "executive retirement benefit"). Beginning January 1, 2021, participants eligible for the supplementary pension benefit will stop accruing that benefit and will begin accruing an executive retirement benefit for their future credited service.

Supplementary Pension Benefit

BENEFIT FORMULA. A named executive's annual supplementary pension, when combined with certain amounts payable under the company's other pension programs and Social Security, will equal 1.75% of his or her "earnings credited for retirement benefits" multiplied by the number of years of credited service (through 2020), up to a maximum of 60% of such earnings credited for retirement benefits. The "earnings credited for retirement benefits" are the named executive's average annual compensation (base salary and bonus) for the highest 36 consecutive months out of the last 120 months prior to retirement (or December 31, 2020, if earlier).

TIME AND FORM OF PAYMENT. The supplementary pension benefit would be provided to eligible employees, including Ms. Miller and Messrs. Joyce and Stokes, after retirement as monthly payments for life (with a guaranteed minimum benefit of five years), and could not be received in a lump sum. The plan also provides for spousal joint and survivor annuity options. The normal retirement age under the plan is 65; however, executives eligible for this benefit who began working at GE prior to 2005, including Ms. Miller and Messrs. Joyce and Stokes, may retire at age 60 without any reduction in benefits.

Executive Retirement Benefit

BENEFIT FORMULA. A named executive's executive retirement benefit will equal 18% of the named executive's average annual compensation (base salary and bonus) for the highest 36 consecutive months out of the last 120 months prior to retirement (or December 31, 2020, if earlier), multiplied by the number of years of credited service (through 2020), up to a maximum of 60% of such earnings credited for retirement benefits. The "earnings credited for retirement benefits" are the named executive's average annual compensation (base salary and bonus) for the highest 36 consecutive months out of the last 120 months prior to retirement (or December 31, 2020, if earlier).

TIME AND FORM OF PAYMENT. The executive retirement benefit would be provided to eligible executives, including Ms. Miller and Messrs. Joyce and Stokes, after retirement as monthly payments for life (with a guaranteed minimum benefit of five years), and could not be received in a lump sum. The plan also provides for spousal joint and survivor annuity options. The normal retirement age under the plan is 65; however, executives eligible for this benefit who began working at GE prior to 2005, including Ms. Miller and Messrs. Joyce and Stokes, may retire at age 60 without any reduction in benefits.

GE Excess Benefits Plan

ELIGIBILITY. The GE Excess Benefits Plan is an unfunded and non-tax-qualified retirement program that is offered to employees whose benefits under the GE Pension Plan are limited by certain tax code provisions. There were no accruals for named executives under this plan in 2019, and beginning January 1, 2021, no further benefit accruals will be permitted for any participants under this plan.

BENEFIT FORMULA. Benefits payable under this plan are equal to the amount that would be payable under the terms of the GE Pension Plan, disregarding the limitations imposed by certain tax code provisions, minus the amount actually payable under the GE Pension Plan taking those limitations into account.

NAME	NUMBER OF YEARS CREDITED SERVICE	PRESENT VALUE OF ACCUMULATED BENEFIT			
		GE PENSION PLAN	GE SUPPLEMENTARY PENSION PLAN	GE EXCESS BENEFITS PLAN	GE PENSION PLAN
Culp	5	N/A	N/A	N/A	\$1,053,800
Miller*	14	\$ 11,450	\$ 6,881,957	\$ 0	N/A
Cox	1	N/A	N/A	N/A	\$ 762,577
Joyce	39	\$1,306,679	\$11,918,567	\$469	N/A
Stokes	25	\$1,050,250	\$ 8,289,638	\$ 0	N/A

* On February 17, 2020, Ms. Miller and the company entered into a separation agreement and release in connection with her departure from the company. Upon her departure, Ms. Miller will not earn or receive any benefits under the GE Supplementary Pension Plan, but she will remain entitled to her accrued benefit under the GE Pension Plan, with payments begin in accordance with the terms of the plan.

PRESENT VALUE OF ACCUMULATED BENEFIT. The accumulated benefit is based on years of service and earnings (base salary and bonus) considered by the plan for the period through December 31, 2020. It also includes the value of contributions made by the named executives throughout their careers. For purposes of calculating the present value, we assume that the named executives will remain in service until the age at which they may retire without any reduction in benefits (except for Ms. Joyce, who is already eligible for full retirement benefits). For Messrs. Culp and Cox (this is age 65), and for Ms. Miller and Mr. Stokes (this is age 60) (notwithstanding that Ms. Miller and the company entered into a separation agreement and release

TIME AND FORM OF PAYMENT. Benefits for the named executives are generally payable in the same time and in the same manner as their GE Pension Plan benefits.

Pension Benefits Table

The table below shows the present value of the accumulated benefit as of December 31, 2020 for the named executives under each plan, as calculated based upon the assumptions described below. Although SEC rules require us to show this present value, the named executives are not entitled to receive these amounts in a lump sum. None of the named executives received a payment under these plans in 2020.

subsequent to December 31, 2020, pursuant to which she will leave the company in 2020, prior to reaching age 60. We also assume that benefits are payable under the available forms of annuity consistent with the assumptions described in the Pension Benefits Table notes in GE's financial statements in our 2019 annual report on Form 10-K, including the statutory discount rate assumption of 3.26% in the United States. The government mortality assumption used for present value calculations for U.S. beneficiaries in the BP 2021 mortality table, adjusted for GE's experience and factoring in projected generational improvements. The present value for Mr. Joyce has been calculated based on his age as of the end of 2020 (he was 65).

Caterpillar

RETIREMENT AND OTHER BENEFITS (PAGE 40)

<http://s7d2.scene7.com/is/content/Caterpillar/CM20200429-a43dd-708ad>

RETIREMENT AND OTHER BENEFITS

In addition to the annual and long-term components of compensation, NEOs participate in health and welfare benefit plans generally available to employees to provide competitive benefits.

The defined contribution and defined benefit retirement plans available to the NEOs are also available to many U.S.

Caterpillar management and salaried employees. Under the defined benefit pension plans, the benefit is calculated based on years of service and final average monthly earnings. All NEOs participate in one or more of the U.S. retirement plans described in the following table:

Plan Type	Title	Description
PENSION	RETIREMENT INCOME PLAN (RIP)	Defined benefit pension plan under which benefit amounts are calculated based on years of service and final average monthly earnings and offer annuity payments. On December 31, 2014, the Solar Turbines Incorporated Retirement Plan merged with and into RIP and is now a supplement to RIP as of January 1, 2015. As a result, all references herein to "Solar RP" shall refer to benefits accrued under the Solar Turbines Incorporated Retirement Plan supplement to RIP. Solar RP and RIP were closed to new entrants effective January 1, 2011. Benefits were frozen for most participants; however, a group of "Sunset" participants accrued benefits until the earlier of their separation from service or December 31, 2019. Sunset participants were hired prior to January 1, 2003, and were age 40 or more as of December 31, 2010. Mr. Umpleby earned benefits under RIP through December 31, 2019.
	SOLAR MANAGERIAL RETIREMENT OBJECTIVE PLAN (MRO)	Non-qualified defined benefit pension plan that works in tandem with the Solar RP supplement to RIP. MRO pays an additional benefit that would otherwise have been paid under Solar RP if cash incentive awards were taken into account under Solar RP. MRO also provides additional pension benefits if the Solar RP benefit is limited due to certain compensation and annual benefit limits imposed on RIP by the tax code. Mr. Umpleby earned benefits under MRO through December 31, 2019.
SAVINGS	CATERPILLAR 401(k) PLANS	U.S.-based NEOs who continued to earn benefits in a pension plan were eligible to participate in a Caterpillar 401(k) plan under which the Company matched 50 percent of the first six percent of the NEO's eligible pay contributed to the 401(k). All other U.S.-based NEOs participate in a Caterpillar 401(k) plan under which the Company matches 100 percent of the first six percent of eligible pay contributed by the participant, and the Company makes an annual non-elective contribution equal to three percent, four percent or five percent of eligible pay based on the employee's age and years of service with the Company.
	SUPPLEMENTAL DEFERRED COMPENSATION PLAN (SDCP)	All U.S.-based NEOs who participate in a Caterpillar 401(k) plan are eligible to participate in SDCP, which provides the opportunity to make deferrals of base salary in excess of the limits imposed on the 401(k) plans by the Internal Revenue Code and to elect deferrals from the AIP and STIP. Under the terms of SDCP, participants are eligible to earn matching contributions and annual non-elective contributions based on formulas applicable to them in the Caterpillar 401(k) plans.
	SUPPLEMENTAL (SEIP) AND DEFERRED (DEIP) EMPLOYEES' INVESTMENT PLAN	All U.S.-based NEOs hired prior to March 25, 2007 were previously eligible to participate in SEIP and DEIP. These plans were closed in March 2007. Compensation deferred into SEIP and DEIP prior to January 1, 2005 remains in these plans.

Thermo Fisher

EXECUTIVE BENEFITS (PAGE 53)

https://s1.q4cdn.com/008680097/files/doc_financials/annual/2020/2020-Proxy.pdf

Other compensation

Executive benefits

We maintain broad-based benefits that are provided to all employees, including health and dental insurance, life and disability insurance and a 401(k) plan. Executives are eligible to participate in all of our employee benefit plans, in each case on the same basis as other eligible employees.

Benefit	Key Features
401(k) Plan	<ul style="list-style-type: none">• Tax qualified retirement savings plan for U.S.-based employees• Contributions matched 1:1 up to the first 6% of compensation deferred• 2019 cap on matching contributions of 6% of \$280,000• Contributions are fully vested on contribution• Matching contributions for employees joining after January 1, 2014 vest after two years of employment
Deferred Compensation Plan	<ul style="list-style-type: none">• Available to executive officers and certain other highly-compensated employees• Participants can defer receipt of up to 50% of annual salary and/or bonus until either employment ceases or a future date prior to termination• Contributions matched 1:1 on the first 6% of pay that is deferred over the 401(k) limit
Perquisites	<ul style="list-style-type: none">• Supplemental long-term disability insurance• Supplemental life insurance• Executive health services• Financial planning services (except for the CEO)• A \$3 million term life insurance policy for the CEO• Limited non-business use of the corporate aircraft, up to an annual incremental cost to the Company of \$150,000 (treated as taxable income in accordance with the IRS regulations) for the CEO• Security services, including home security systems, monitoring and additional personal security services for the CEO• No tax gross-ups are provided on any perquisites
Severance and change in control benefits	<ul style="list-style-type: none">• Named Executive Officers are entitled to specified benefits on termination in certain circumstances• 'Double trigger' change in control agreements• Separate agreements for CEO• No tax gross-ups

Coca-Cola

PERQUISITES AND OTHER PERSONAL BENEFITS (PAGE 57)

https://investors.coca-colacompany.com/filings-reports/proxy-statements/content/0001206774-20-000704/ko_courtesy-pdf.pdf

PERQUISITES AND OTHER PERSONAL BENEFITS

We provide a limited number of perquisites and other personal benefits to our Named Executive Officers. The table below summarizes and provides the business rationale for each of the perquisites and other personal benefits provided to the Named Executive Officers in fiscal year 2019. The Committee reviews and carefully considers the reasonableness of and rationale for providing these perquisites and believes these perquisites are consistent with market practice.

For more information about these perquisites and other personal benefits, and their values, see the discussion beginning on **page 71**.

Category	Business Rationale
Aircraft Usage	To allow travel time of our Chairman and Chief Executive Officer and President and Chief Operating Officer to be used productively for the Company; for security purposes due to the high profile and global nature of our business and our highly symbolic and well-recognized brands; and to ensure availability to respond to business priorities from any location around the world.
International Service Program	To promote global mobility and development opportunities for individuals working outside their home country.
Financial and Tax Planning	To address the complex tax and financial situations and assist in compliance with local country laws for a significant percentage of our senior executives with dual nationalities or work histories in a number of countries.
Other	Executive physicals are made available to set the example for active, healthy living.

8

International Paper

RETIREMENT AND BENEFIT PLANS (PAGE 65)

https://s1.q4cdn.com/597881801/files/doc_financials/2020/ar/2020-Proxy-Statement-Web-Ready-PDF-FINAL.pdf

Retirement and Benefit Plans

Members of the SLT participate in the same health, welfare and retirement programs available to most of the Company's salaried U.S. employees. Additionally, our unfunded, non-qualified plans—the Pension Restoration Plan and the Deferred Compensation Savings Plan ("DCSP")—are available to eligible salaried U.S. employees, including the NEOs, whose compensation is higher than the limits set by the Internal Revenue Service ("IRS") for tax-qualified plans. Absent these plans, these employees would not achieve a retirement benefit commensurate with their earnings during the course of their careers with us. Finally, while the Unfunded Supplemental Retirement Plan for Senior Managers ("SERP") was closed to new participants effective January 1, 2012, three current SLT members (Messrs. Sutton and Nicholls and Ms. Ryan) had their participation grandfathered in this plan.

Name	CEO	SLT	Other Officers and Eligible Managers	U.S. Salaried Employees
Health and Welfare Plans	•	•	•	•
Qualified Retirement (Pension) Plan / RSAC ⁽¹⁾	•	•	•	•
Pension Restoration Plan / RSAC ⁽²⁾	•	•	•	•
SERP ⁽²⁾	• ⁽¹⁾	• ⁽¹⁾	•	•
Qualified Salaried Savings Plan – 401(k)	•	•	•	•
DCSP ⁽²⁾	•	•	•	•

• Eligible to participate.

⁽¹⁾ This executive benefit was closed to new participants effective January 1, 2012.

⁽²⁾ See Section 7 for additional information on this benefit.

The Company froze credited service and compensation in the Retirement Plan, Pension Restoration Plan and SERP for all service on or after January 1, 2019.

For service after this date, affected employees now receive Retirement Savings Account contributions ("RSAC").

Retirement and Benefit Programs

Pension and Post-Retiree Medical

- Our NEOs participate in the same retirement programs as other similarly situated employees and receive no enhancements in determining their benefits versus other employees
- PepsiCo maintains defined benefit pension plans for the majority of U.S. salaried employees hired before January 1, 2011 and defined contribution plans for U.S. salaried employees hired in 2011 or later
- A separate retirement plan is also maintained for certain employees working outside the U.S. who are unable to participate in their home country plans
- Details for participating executive officers are described in the "2019 Pension Benefits" section beginning on page 67
- Our NEOs are also eligible for retiree medical coverage on the same terms as other similarly situated employees
- No NEOs were provided enhanced coverage, such as executive life insurance

Health and Mobility Benefits

- Executive officers receive the same healthcare benefits as other similarly situated employees
- U.S.-based medical benefits are the same for all participants in the Company's healthcare program; however, our executive officers are required to pay two to three times as much as non-executive employees for their coverage
- International medical benefit plans vary, but executives typically receive the benefits offered in the relevant broad-based program
- PepsiCo's global mobility program facilitates the assignment of global talent to positions in other countries by minimizing any financial detriment or gain to the employee from an international assignment
- In 2019, Mr. Popovici participated in the mobility program due to his assignment in Switzerland, and Mr. Schellekens participated in the mobility program with his relocation to the U.S.
- Executive officers who relocate are supported under the mobility program available to all PepsiCo salaried employees, eligible for reimbursement for relocation expenses, such as household goods shipment and applicable taxes associated with moving

Perquisites

- Consistent with our pay-for-performance philosophy, we limit executive perquisites to a Company car allowance, an annual physical and limited personal use of Company aircraft
- Based on an independent security study, the Compensation Committee generally requires the CEO to use Company aircraft to enhance personal safety and to increase time available for business purposes
- Certain executive officers may also be required to use Company ground transportation
- Certain exceptions allow the use of commercial aviation provided that the PepsiCo Global Security Team has assessed the risk and trip itinerary in advance, establishing a travel security protocol
- Executives are fully responsible for their personal income tax liability associated with personal use of Company aircraft
- A select few executive officers who are permitted to use Company aircraft, other than the CEO, must reimburse PepsiCo for the full variable operating cost of personal flights in excess of a limited number of hours per year as established by the Compensation Committee
- Personal use of Company ground transportation and Company aircraft for executive officers other than the CEO must be approved by the CEO on a case-by-case basis

Executive Income Deferral

- Under the PepsiCo Executive Income Deferral Program (the "EIDP"), most U.S.-based executives can elect to defer up to 75% of their base salary and up to 100% of their annual cash incentive awards into phantom investment funds on a tax-deferred basis
- Executives may elect to have their deferral accounts notionally invested in market-based funds, including the PepsiCo Common Stock Fund
- The EIDP does not guarantee a rate of return, does not match deferrals and none of the funds provide "above market" earnings
- The EIDP is a non-qualified and unfunded program in which account balances are unsecured and at risk, with its material features described in the "2019 Non-Qualified Deferred Compensation" section beginning on page 70

Director Compensation

King & Spalding Commentary

Given growing interest in director compensation, it is not surprising that director compensation disclosure is more thorough and graphical than ever. The best disclosure crisply describes a company's philosophy for director pay. If necessary, this disclosure should also clearly identify both the amount of and rationale for any supplementary pay (e.g., board leadership position, compensation for extraordinary time commitment).

Cognizant

DIRECTOR COMPENSATION (PAGE 26)

[https://cognizant.q4cdn.com/123993165/files/doc_financials/2019/ar/Cognizant-2020-Proxy-Statement-\(hyperlinked-book-layout\).pdf](https://cognizant.q4cdn.com/123993165/files/doc_financials/2019/ar/Cognizant-2020-Proxy-Statement-(hyperlinked-book-layout).pdf)

Corporate Governance

Director Compensation

Discussion and Analysis

We use cash and stock-based compensation to attract and retain qualified individuals to serve on the board. We set compensation for our non-employee directors taking into account the time commitment and experience level expected of our directors. A director who is an employee of the company receives no cash or stock-based compensation for serving as a director.

2019 Non-Employee Director Compensation Structure

ANNUAL RETAINER ¹	+	ADDITIONAL CHAIR RETAINERS ²	+	COMMITTEE MEETING FEES
<div><div></div><div>\$90,000</div><div>Annual Cash Retainer</div></div> <div><div></div><div>\$210,000</div><div>Restricted Stock Units (RSUs) — 1-year cliff vesting³</div></div>		<div><div></div><div>\$150,000</div><div>Board</div></div> <div><div></div><div>\$25,000</div><div>Audit Committee</div></div> <div><div></div><div>\$15,000</div><div>Compensation Committee, Finance Committee and Governance Committee</div></div>		<div><div></div><div>\$1,500</div><div>per meeting (excluding telephonic meetings of 30 minutes or less)</div></div>

¹ Paid in advance following the annual meeting of shareholders. All amounts are in cash excluding RSUs. Directors joining mid-year receive prorated amounts.

² Upon a director's retirement while in good standing, the board's intent is to utilize its discretion to accelerate the vesting of such director's outstanding stock-based awards.

Director Compensation vs. Peer Group

For purposes of establishing 2019 non-employee director compensation, the Compensation Committee engaged Pay Governance, LLC ("Pay Governance"), an independent executive compensation advisory firm, to review all elements of director compensation, benchmark such compensation in relation to other comparable companies with which we compete for board talent and provide recommendations to ensure that our director compensation program remains competitive. Pay Governance benchmarked our director compensation against the same group of technology-related firms used by Pay Governance in preparing its recommendations to the Compensation Committee for executive officers for 2019. See "Compensation Consultant" and "Peer Group" on [page 32](#).

The Compensation Committee considered the benchmarking data and recommendations of Pay Governance in recommending to the board the cash and stock-based compensation of non-employee directors that became effective following the 2019 annual meeting. Based on the 2019 analysis:

- Our total director compensation was at the 50th percentile vs. our peer group.
- Our director stock-based compensation, which is issued in RSUs that vest 100% on the first anniversary of the grant date, was in line with peer group practices that predominantly involve equity issuances in the form of (i) full value shares or (ii) restricted stock that vests 100% on the first anniversary of the grant date.
- Our additional annual board and committee chair retainers, provided in recognition of the increased workload and responsibilities associated with such positions, and our meeting fees were in the range of peer group practices.

No changes were made to the compensation of our non-employee directors in 2019.

DIRECTOR STOCK OWNERSHIP GUIDELINES

5x
annual cash retainer (\$450,000 in shares of common stock)

Under our stock ownership guidelines, each non-employee director is required over time to hold a number of shares with a value, measured as of the time the revised guidelines were put in place (March 2017) or, for later joining directors, the time a director joined the board, equal to five times the annual cash retainer received by non-employee directors (i.e., \$450,000 in shares of common stock). Compliance with the guidelines is required within five years of a director joining the board. As of March 31, 2020, all of our directors were in compliance with our stock ownership guidelines.

NO HEDGING, SHORT SALES, MARGIN ACCOUNTS OR PLEDGING

All directors are subject to the same insider trading policies of the company that apply to employees and provide for:

- ✗ No hedging or speculation with respect to Cognizant securities
- ✗ No short sales of Cognizant securities
- ✗ No margin accounts with Cognizant securities
- ✗ No pledging of Cognizant securities

See "Hedging, Short Sale, Margin Account and Pledging Prohibitions" on [page 47](#) for additional information on these restrictions.

Director Compensation

Director Compensation Program

The director compensation program is designed to appropriately compensate non-employee directors for serving on the board of a large, complex, and highly regulated company and to align their interests with stockholders. The nominating and governance committee reviews non-employee director compensation annually including benchmark information from peer companies, advice from an independent compensation consultant, and relevant compensation surveys. The following charts describe each component of our non-employee director compensation program for 2019. No changes were recommended after the 2019 annual review as director total compensation continues to be aligned with the insurance peer group and survey median.

NON-EMPLOYEE DIRECTOR



ADDITIONAL ANNUAL CASH RETAINERS⁽¹⁾



- ⁽¹⁾ Paid quarterly in advance on the first day of January, April, July, and October. The retainer is prorated for a director who joins the Board during a quarter.
- ⁽²⁾ The Board believes that a meaningful portion of a director's compensation should be in the form of equity securities to create a linkage with corporate performance and stockholder interests. Directors are granted restricted stock units on June 1 equal in value to \$155,000 divided by the closing price of a share of Allstate common stock on such grant date, rounded to the nearest whole share.

Director Equity Compensation

- ▶ Equity makes up a meaningful portion of the directors' overall compensation mix to align interests with stockholders.
- ▶ A robust stock ownership guideline of five times the annual Board membership cash retainer supports alignment with stockholders' interests.
- ▶ Annual restricted stock units are granted under a fixed-value formula and in accordance with the stockholder approved 2017 Equity Compensation Plan for Non-Employee Directors. The aggregate grant date fair value of any award during a calendar year may not exceed \$800,000.

Further Director Compensation Highlights

- ▶ Director total compensation, Lead Director and committee chair retainers, and equity grant practices are all benchmarked against insurance industry peer group and relevant compensation surveys to target total compensation at the median.
- ▶ No additional fees are paid for Board meeting attendance.

Director Compensation

Compensation Philosophy

Our philosophy is to provide competitive compensation necessary to attract and retain high-quality non-employee directors and appropriately compensate them for the time, expertise and effort required to serve as a director of a large publicly traded company that operates in a dynamic, highly regulated industry. Our Board believes that a substantial portion of director compensation should consist of equity-based compensation, coupled with robust stock ownership guidelines, to assist in aligning directors' interests with the interests of shareholders. Directors who are employees of Altria receive no additional compensation for service as a director.

Director Compensation Review

The Nominating, Corporate Governance and Social Responsibility Committee reviews and periodically recommends updates to the director compensation program to our Board of Directors for approval. During these reviews, the Committee considers our director compensation philosophy, the competitiveness of director compensation based on an independent benchmarking study (taking into account our Compensation Survey Group ("CSG") described under "Benchmarking" beginning on page 44 and other large, public companies) and current market practices and also considers the appropriateness of the form, mix and amount of director compensation. The Committee then makes a recommendation to our Board concerning such compensation with a view toward attracting and retaining qualified directors. After reviewing compensation in January 2019, the Committee determined to leave our director compensation unchanged. Our directors' retainers have not increased since 2016.

Components of Compensation

The following chart presents the 2019 components of compensation for our non-employee directors:

Equity

Annual Equity Award ⁽¹⁾	\$175,000
------------------------------------	-----------



Annual Cash Retainers

Board Member ⁽²⁾	\$110,000	
Presiding Director	\$25,000	
Committees	Chair	Member ⁽³⁾
▪ Audit		
▪ Compensation and Talent Development	\$25,000	
▪ Finance		
▪ Innovation		
▪ Nominating, Corporate Governance and Social Responsibility	\$15,000	\$5,000

⁽¹⁾ The annual full value equity award is in the form of fully vested shares of Altria common stock.

⁽²⁾ Paid in quarterly installments.

⁽³⁾ Committee Chairs also receive the Committee Member annual cash retainer.

The Travelers Companies

NON-EMPLOYEE DIRECTOR COMPENSATION (PAGE 23)

http://investor.travelers.com/interactive/newlookandfeel/4055530/TRV_2020_Proxy_Statement.pdf

Non-Employee Director Compensation

The Nominating and Governance Committee of the Board recommends to the full Board for approval the amount and composition of Board compensation for non-employee directors. Directors who are our employees are not compensated for their service on the Board. In accordance with the Company's Governance Guidelines, the Nominating and Governance Committee reviews the significance and appropriateness of each of the components of the Director Compensation Program at least once every two years. The Compensation Committee's independent compensation consultant, FW Cook, advises the Nominating and Governance Committee with respect to director compensation.

The objectives of the Nominating and Governance Committee are to compensate directors in a manner that closely aligns the interests of directors with those of our shareholders, to attract and retain highly qualified directors and to structure and set total compensation in such a manner and at such levels that will not call into question any director's objectivity. The Committee works with its independent compensation consultant to ensure that its compensation program is consistent with current market practices. It is the Board's practice to provide a mix of cash and equity-based compensation to non-employee directors, as discussed below.

CORPORATE
GOVERNANCE

Elements of Non-Employee Director Compensation

	Element	Timing
Cash	Annual Retainer Each non-employee director receives an annual retainer of \$130,000.	Annual retainers and committee chair fees are paid in quarterly installments, in arrears at the end of each quarter, either (1) in cash or (2) if the director so elects, in common stock units credited to his or her deferred compensation account (discussed under "Director Deferral Plan" below) and distributed at a later date designated by the director.
Additional Fees	Committee Chair Fees and Lead Director Retainer The chairs of certain committees are paid additional fees in cash in connection with their services as follows: <ul style="list-style-type: none"> • Audit Committee - \$25,000 • Compensation Committee - \$25,000 • Nominating and Governance Committee - \$20,000 • Investment and Capital Markets Committee - \$20,000 • Risk Committee - \$25,000 The Lead Director is paid an additional \$35,000 annual cash retainer	
Equity	Annual Deferred Stock Award Under the Director Compensation Program, during 2019, each non-employee director nominated for re-election to the Board was awarded \$175,000 in deferred stock units. The deferred stock units were granted under our Amended and Restated 2014 Stock Incentive Plan (the "2014 Stock Incentive Plan") and vest in full one day prior to the date of the annual shareholder meeting occurring in the year following the year of the date of grant so long as the non-employee director continuously serves on the Board through that date. The value of deferred stock units rises or falls as the price of our common stock fluctuates in the market. Dividend equivalents (in an amount equal to the dividends paid on shares of our common stock) on the deferred stock units are deemed "reinvested" in additional deferred stock units. Directors are subject to a stock ownership target as described under "Director Stock Ownership" on page 24.	The accumulated deferred stock units, including associated dividend equivalents, in a director's account are distributed in the form of shares of our common stock either in a lump sum or in annual installments, at the director's election, beginning at least six months following termination of his or her service as a director.

Director Compensation—2019

Annual Compensation

In consultation with FPL Associates, L.P. ("FPL Associates"), the Compensation Committee's independent compensation consultant, the Committee annually reviews our director compensation program for continued alignment with comparable companies and sound governance practices.

Compensation paid to our Independent Directors for services in 2019 is described below. For compensation paid in 2019 to Thomas M. Herzog, our CEO, see "Compensation Discussion and Analysis." Mr. Herzog received no separate compensation for his services as a director of the Company in 2019.

ANNUAL INDEPENDENT DIRECTOR COMPENSATION



ADDITIONAL CASH COMPENSATION

Independent Chairman: \$110,000

Audit Committee

- Chair – \$35,000
- Member – \$15,000

Compensation Committee

- Chair – \$30,000
- Member – \$7,500

Governance Committee

- Chair – \$15,000
- Member – \$5,000

Investment Committee

- Chair – \$20,000
- Member – \$5,000

Cash Compensation

In late 2018, FPL Associates performed a benchmarking analysis of our director compensation program against our proxy peer companies identified on page 52. Based on this analysis, FPL Associates determined that the Independent Chairman retainer of \$95,000, as well as the annual cash retainer of \$80,000 and annual equity retainer of \$150,000 for our independent directors generally were below the median compensation levels for those items of compensation at our proxy peers. In addition, in early 2019, the Board reconstituted the designated director position to serve as the Board liaison with respect to our litigation matters, with Mr. Cartwright serving in such capacity. The prior retainer for designated directors was \$1,500 per meeting, but the Board determined to eliminate the per-meeting retainer for the designated director.

As a result, and upon the recommendation of FPL Associates and the Compensation Committee, the Board determined it was appropriate to make the following changes, effective January 1, 2019, to better align to the median compensation of proxy peers, as disclosed in our 2019 Proxy Statement. The Board also considered the significant additional duties undertaken by the Independent Chairman as designated director for litigation matters.

- Increase the Independent Chairman annual cash retainer from \$95,000 to \$110,000
- Increase the independent director annual cash retainer from \$80,000 to \$85,000
- Increase the grant date fair value of the annual independent director equity award retainer from \$150,000 to \$160,000

Additionally, recognizing Mr. Cartwright's role as Governance Committee Chair and taking into consideration the increase in the Independent Chairman retainer, the Board approved decreasing the Governance Committee Chair retainer from \$20,000 to \$15,000, effective January 1, 2019.

In addition to the above, directors are paid an additional \$1,500 per meeting fee for each Board or individual committee meeting that a director attends after that director has attended 10 meetings of our Board or that committee, as applicable, in a given calendar year (e.g., for each Audit Committee meeting after 10 Audit Committee meetings in one calendar year). No additional meeting fees were paid in 2019.

All cash retainers are paid quarterly 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.

2019 DIRECTOR COMPENSATION

Non-employee directors are compensated for their service on the Board as described below. Directors who are employees of the Company receive no additional compensation for serving as directors.

Annual Compensation

Every year, our Board of Directors reviews the competitiveness of our compensation program for non-employee directors. Based on the results of a competitive analysis, supported by the Board's independent compensation consultant, FW Cook, and upon the recommendation of the Compensation Committee, the Board approved an increase in the cash retainer from \$110,000 to \$120,000 and an increase in the equity retainer from \$180,000 to \$190,000 effective October 1, 2019. This adjustment was made to maintain the competitiveness of our director compensation program relative to PepsiCo's peer group and to further align the directors' interests with our shareholders.

ANNUAL DIRECTOR COMPENSATION



ADDITIONAL COMPENSATION

- An additional \$30,000 annual cash retainer
 - Nominating and Corporate Governance Committee Chair
 - Public Policy and Sustainability Committee Chair
- An additional \$40,000 annual cash retainer
 - Audit Committee Chair
 - Compensation Committee Chair
- An additional \$50,000 annual cash retainer
 - Presiding Director

The \$190,000 annual equity retainer is provided in phantom units of PepsiCo Common Stock that are immediately vested and are payable on the first day of the calendar quarter following the first anniversary of the director's retirement or resignation from PepsiCo's Board of Directors. The number of phantom units of PepsiCo Common Stock granted to each director on October 1, 2019 was determined by dividing the \$190,000 equity retainer value by the closing price of PepsiCo Common Stock on October 1, 2019, which was \$137.37. As such, each director was granted 1,383 phantom units, each representing the right to receive one share of PepsiCo Common Stock and dividend equivalents. Dividend equivalents are reinvested in additional phantom units. Directors may also elect to defer their cash compensation into phantom units payable at the end of the deferral period selected by the directors.

Directors are reimbursed for expenses incurred to attend Board and Committee meetings and receive business travel and accident insurance coverage. Directors do not receive any meeting fees and do not have a retirement plan or receive any benefits such as life or medical insurance. Directors are eligible for matching of charitable contributions through the PepsiCo Foundation, which is generally available to all PepsiCo employees.

Initial Share Grant

Each newly appointed non-employee director receives a one-time grant of 1,000 shares of PepsiCo Common Stock when he or she joins the Board. These shares are immediately vested, but must be held until the director leaves the Board.

Governance Features

Our compensation program for non-employee directors operates with the following market-leading governance features:

Shareholder-Approved Cap on Pay. In 2016, our shareholders approved a cap on non-employee director pay as part of the renewal of the PepsiCo, Inc. Long-Term Incentive ("LTI") Plan. The cap imposes a limit on the awards that may be granted to any non-employee director in a single calendar year in the following amounts: \$500,000 for annual equity awards, \$500,000 for annual cash retainers, and \$250,000 for one-time initial awards to any newly appointed or elected non-employee director. Our current compensation program for non-employee directors is well within these limits.



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