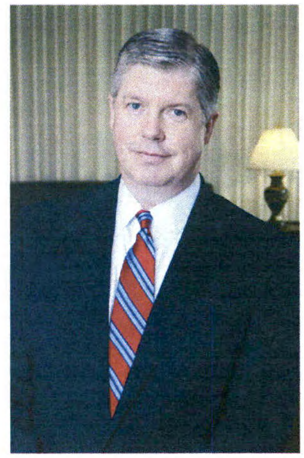
Sample Disclosures:

- Proxy Disclosure Examples:
  - Letters from the Chairman/Lead Director/Board
  - Timelines
  - Board Skills Matrix
  - Board Composition
  - Board Evaluation
  - Director Biographies
  - Shareholder Engagement
  - Risk Oversight
  - ESG/Social Responsibility

- Tax Reform Disclosure Examples:
  - Risk Factors
  - 8-K Disclosures
  - 10-Q Disclosures
  - 162(m) Disclosures

April 17, 2017

Dear Fellow Shareholder:



On behalf of the Martin Marietta Board of Directors and executive officers, it is my pleasure to invite you to our 2017 Annual Meeting of Shareholders.

Strong Financial Performance

2016 was an exceptional year for Martin Marietta. We established several new financial records and demonstrated the earnings power of our strategically-positioned assets, driven by a more durable, construction-centric recovery. Our record performance and market position yielded strong returns for our shareholders, delivering a 64% total shareholder return, the 9th best in the S&P 500. And, as always, we achieved these results while remaining committed to the safety, ethics, integrity and values that are the hallmark of Martin Marietta.

Shareholder Engagement

We held an Investor Day in Dallas, Texas in 2016. Management provided overviews of our accomplishments relative to our five-year Strategic Operating Analysis and Review ("SOAR 2020"), outlined generally objectives for SOAR 2020 and offered a snapshot of the potential earnings power of the business. However, Texas was, literally, the show's star. Presentations from our regional management provided insight into the fundamental drivers of the Texas economy. Operations tours were provided at both the Bridgeport/Chico Quarry Complex as well as the Midlothian Cement Plant, including facilities that were added in our recent acquisition of Texas Industries.

Our investor outreach in 2016 extended to 127 meetings with 314 investor groups, and conversations with most of our top 20 shareholders. We visited with our shareholders across the United States and in Toronto, Frankfurt, London, Edinburgh and Paris. We also issued our second Sustainability Report in 2016 - *"Building Solid Foundations – Partnering for Stronger Communities"* - in response to our shareholders' request that we share our story on the efforts and improvements we are making in this important aspect. From our world-class safety programs and performance, to our targeted and intentional support of education and health, and environmental programs that ensure operational excellence, we have a solid foundation and an exciting opportunity to build upon.

Governance Developments

There were several important changes to our corporate governance in 2016. First, shareholders approved amendments to our Articles of Incorporation that provide for annual elections of directors. Second, the Board did not renew the shareholder rights plan that expired in October 2016. Our Board continues to review our governance policies to ensure we are able to create appropriate value for our shareholders.

Board Member Changes

At this year's meeting, William E. McDonald will retire in accordance with the mandatory retirement provision in our bylaws. We wish Bill well in retirement and are extremely grateful for his steady guidance and thoughtful leadership given generously through his 21 years on our Board.

We also added two new Board members in 2016, namely John J. Koraleski, former Chairman and CEO of Union Pacific Railroad, and Donald W. Slager, President and CEO of Republic Services. We are delighted to have both Jack and Don, who each bring strong backgrounds and experience with publicly-traded companies to provide their insights into our Board mix.

Proxy Voting

Because *your* proxy vote matters, I urge you to cast it promptly — even if you plan to attend the Annual Meeting. We encourage you to vote so that your shares will be represented and voted at the meeting.

Thank you for your continued support of Martin Marietta.

Sincerely,

C. Howard Nye
Chairman of the Board, President and Chief Executive Officer

A Message from Our Lead Director

Dear Shareholder:

Our Board continues to fulfill its critical mission of providing active engagement and oversight of the company's strategy, capabilities, leadership and risk management, to ensure the company is well-positioned to continue creating value for shareholders in a manner that is consistent with our Credo. And as your representatives, my fellow independent directors and I are committed to, and value, hearing from our shareholders. It is our pleasure to be part of this remarkable company that plays a vital role in the health and wellbeing of a billion people throughout the world, every day.

This past year, I had the opportunity to meet with a number of our shareholders, answer questions about the Board's perspective on corporate governance at Johnson & Johnson and, more importantly, hear direct shareholder feedback about our governance practices and emerging governance issues.

From these discussions I gained a greater understanding of the focus our shareholders maintain on several key areas, including Board composition and refreshment, how we disclose the skills of our Board and why combining the role of Chairman and Chief Executive Officer currently works best for Johnson & Johnson and its shareholders. We approach these topics in several ways:

- Our Board is committed to seeking new Board members who enhance our collective skill set and diversity. From 2009-2015, we brought on a new independent director each year with varying and deep skill sets, as we replaced our retiring directors. We continue to seek other qualified directors. We were deeply saddened at the passing of Dr. Susan Lindquist in October 2016, one of our longest-serving directors.
- This year, we altered the composition of our five key committees, with each committee having at least one new member and three committees, Compensation & Benefits, Regulatory, Compliance & Government Affairs and Science, Technology & Sustainability, each being led by a new director. Each committee continues to be comprised solely of independent directors. You can see more details on our committee composition and changes on pages 23 and 24 of this Proxy Statement.
- In direct response to what we heard during the course of this year's shareholder engagement meetings, this year we are including a chart setting out the key skills of our Board. We are hopeful that this chart will provide shareholders with an easier format to view the collective skills and experience that enable our Board to provide strong governance and oversight to serve our shareholders.
- Some investors suggested in our dialogues that, as a matter of principle, the roles of Chairman and Chief Executive Officer should be separate at all public companies. For the reasons set out in our response to the shareholder proposal on page 88 of this Proxy Statement, the Board continues to have strong conviction that the current structure of combined Chairman and Chief Executive Officer, along with the establishment of a robust Lead Independent Director, works best for Johnson & Johnson and its shareholders at this time. I believe I was able to provide the investors with whom I met a better understanding of my role as Lead Director, how I interact with the Chairman and Chief Executive Officer and other directors, and my ongoing practice of active engagement with shareholders. The Board continues to monitor developments, but believes it is critically important from a governance perspective that it retain appropriate flexibility and sole authority to determine who serves as Chairman of our company at any given point in time.

I encourage you to read more about our Board, robust governance structures and practices, and compensation programs in this Proxy Statement. Please also consider our recommendations to the proposals in this Proxy Statement. We encourage you to vote your shares in line with the Board's recommendations.

We value your engagement and thank you for your continued support and investment in Johnson & Johnson.

Sincerely,

Anne M. Mulcahy

Anne M. Mulcahy
Lead Director

April 13, 2017

Dear Fellow Shareholder:

By almost any measure, 2016 was a good year for Unum. Our company delivered strong operational and financial results, including record net income. It was also a great year for shareholders, with our stock price up sharply and total shareholder return that outpaced most of our peers and the S&P 500. These results are even more impressive given the difficult economic headwinds, including continued low interest rates and the impact of Brexit in the U.K.

Our success is driven by a relentless focus on serving customers well. We understand the critical role our products and services have in helping people preserve their financial stability during times of illness or injury. They count on us to be there, and that's a solemn responsibility we never forget.

Our Board is committed to building a sustainable future for Unum, and we do that through ongoing investments that enhance our products, services and capabilities. This effort was highlighted in 2016 by our acquisition of Starmount Life, a leading dental and vision carrier in the U.S. We made a similar acquisition in the U.K. in 2015, and we're excited about expanding our offering portfolio for employer clients and reaching more consumers.

At this year's Annual Meeting, our Chairman of the Board, Tom Watjen, steps down, which completes a transition in leadership that began two years ago. Tom retired as CEO of Unum in 2015 and agreed to assume the role of Chairman for a two-year period to ensure leadership continuity. Tom is retiring after serving a total of 15 years on our Board and will be succeeded as Chairman by Kevin Kabat, our current Lead Independent Director, in the event he is re-elected to the Board at the Annual Meeting. Tom has been instrumental in shaping Unum as CEO beginning in 2003 and through his Board service. We are indebted to him for his many years of leadership.

The Board will also be saying goodbye to our longtime colleague Ed Muhl, who is retiring after 12 years as a Director. Ed's guidance and insight will be missed, and we wish him well.

These retirements and other transitions on our Board and senior leadership team over the last few years have been the result of a deliberate and well executed succession planning process. Unum places a high priority on developing future leaders and ensuring we have an engaged and knowledgeable workforce. It's a testament to our people that we've been able to successfully make these changes while continuing to deliver strong performance.

It's an exciting time for Unum, and we remain confident we're taking the steps necessary to position Unum well for the future and create value for our shareholders.

Thank you for your continued investment and support.

Theodore H. Bunting, Jr.

E. Michael Caulfield

Joseph Echevarria

Cynthia L. Egan

Pamela H. Godwin

Kevin T. Kabat

Timothy F. Keaney

Gloria C. Larson

Richard P. McKenney

Edward J. Muhl

Ronald P. O'Hanley

Francis J. Shammo

Thomas R. Watjen

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the objectives and principles underlying our executive compensation programs, outlines the material elements of the compensation of our executive officers, and explains the Compensation Committee's determinations as to the actual compensation of our executive officers for 2016. In addition, this Compensation Discussion and Analysis is intended to put into perspective the tables and related narratives which follow it regarding the compensation of our executive officers.

Letter from the Compensation Committee of our Board of Directors

Dear Fellow Shareholder,

2016 was a year of both continuing challenges and turnaround for Chipotle. We have developed and are implementing a plan to rebuild our company after a number of food-borne illness incidents associated with Chipotle restaurants beginning in late 2015. The company worked to stabilize revenue and profit levels throughout 2016, and showed positive comparable restaurant sales growth in December 2016. Nevertheless, Chipotle continues to face challenges. The related negative publicity had a severe adverse impact on our sales and profitability for both 2015 and 2016. As a result of these business challenges, our stock price declined significantly in late 2015 and remained depressed through 2016.

Notwithstanding these challenges, Chipotle remains one of the great brands and successes in the restaurant industry. The Compensation Committee as well as our full Board continue to believe that our innovative company is led by talented entrepreneurs and visionaries. We have the greatest confidence in the abilities of this team to rebuild the shareholder value that was lost in late 2015 and early 2016 and to grow beyond that.

As we wrote last year, the committee believes the best way to drive outstanding shareholder value creation at Chipotle is to design compensation programs that motivate the unique entrepreneurial and innovative drive of our management team. These programs should reward success when the management team's efforts build shareholder value, and dramatically limit realizable compensation when shareholder value declines and/or goals are not achieved. For a definition of realizable pay, see "Executive Summary - Alignment of CEO Realizable Pay and Performance" below. We have a history of demonstrating aligned pay for performance. Consistent with that history, due to the challenges and performance for 2016, our executive officers were not paid any cash bonuses for the year, the second year in a row of zero bonuses. Further, the committee reviewed Mr. Ells' realizable pay from 2014-2016 to evaluate the alignment of his pay and Chipotle stock price performance; realizable pay value for Mr. Ells as of December 31, 2016 was 13.4% of the 2014-2016 amounts shown in the Summary Compensation Table. Stated another way, the "in-the-money" value as of December 31, 2016 of the equity awards granted to the executive officers in 2014 and 2016 was zero, and the equity awards granted in 2015 would not have paid out as of December 31, 2016. Based on these factors, as well as input from our independent compensation consultant and other factors, the committee concluded that there was strong alignment between the CEO's pay and our stock price performance. The Board also responded to shareholder feedback to make our executive organizational structure more strategic and focused by eliminating our Co-CEO structure.

Shareholder Outreach

The committee has consistently conducted substantial shareholder outreach since 2014, and continued to do so throughout 2016 and into early 2017. See "Executive Summary - Response to 2016 SOP Vote and Shareholder Outreach" below for shareholder feedback received in 2016 and 2017 and changes we made as a result. We have also continued to evaluate and modify our equity incentive design and grant sizes, to ensure motivation of our highly-valued executive team in the context of shareholder perspectives.

2016 and 2017 Performance Share Grants

In light of the business challenges faced by our company beginning in late 2015, the Compensation Committee reviewed the measures used in our new equity program to ensure that they continued to be appropriate. We had concerns that using 2015 year-end financials or the company's stock price at the beginning of 2016 as the basis for a relative performance measure in a performance share program could create a misalignment of shareholder returns and executive officer compensation. More specifically, the committee believed that using the same relative performance measures as were used in our 2015 performance share awards might not be appropriately challenging if used in 2016 due to the low point from which we were starting in late 2015. In early 2016, we discussed some of these issues and potential equity program changes with our largest shareholders.

Following those discussions and additional analysis, for 2016, the performance shares were solely tied to highly challenging absolute stock price performance goals over a three-year performance period that we believe aligns executive officer compensation with restoring shareholder value, and motivates the management team to further enhance value to our owners. The committee considered alternative performance metrics to be used for the 2016 performance shares, but ultimately concluded that restoring lost shareholder value was paramount. The 2016 performance share award design is discussed in greater detail below.

Our 2016 say-on-pay proposal was approved by 72% of shareholders; based upon specific shareholder feedback and our say-on-pay vote, we modified certain grant features of the 2016 performance share awards to address shareholder concerns (see "2016 Compensation Program - Long Term Incentives" below for additional details). Our 2017 performance share award uses a stock price performance goal similar to the 2016 design, while adding a comparable restaurant sales increase goal as well (see "2016 Compensation Program - Long Term Incentives - 2017 Performance Share Award Design" below for additional details). In addition to the performance share award design changes, we reduced Mr. Ells' 2017 target long-term incentive, or LTI, award by 31% when compared to his 2016 target LTI award.

The 2016 performance shares are included in the Summary Compensation Table, Grants of Plan-Based Awards in 2016 table and the Outstanding Equity Awards at December 31, 2016 table below. The 2017 performance shares are not shown in any of those tables and instead will be included in the proxy statement for our 2018 annual meeting, but we believe that an understanding of these most recent awards is important in evaluating our executive compensation practices and determining your say-on-pay vote.

In closing, the members of the Compensation Committee would like to thank the shareholders with whom we spoke for their insights and candor. We value the support and input of our shareholders, and we look forward to continuing to have an open dialogue.

Neil Flanzraich, Lead Director and Chair of the Compensation Committee
Darlene Friedman
Pat Flynn

Executive Summary

Performance Overview for 2016

2016 was a year of change for Chipotle. We:

- Conducted a top-to-bottom review of our food safety programs and procedures and made enhancements to ensure that our food is as safe as it can possibly be.
- Relied heavily on marketing promotions - including promotions for free and discounted food, our Chiptopia Summer Rewards loyalty program, and an increased focus on catering and other out-of-restaurant sales - to restore customer loyalty and attract new customers.
- Eliminated our Co-CEO structure to simplify our decision-making and enhance our focus on providing outstanding customer experiences.

We focused on rebuilding our business following the food-borne illness challenges in late 2015, but our financial performance in 2016 reflected a slower-than-expected pace of recovery:

- Revenue decreased 13.3% on a year-over-year basis.
- Comparable restaurant sales decreased 20.4% on a year-over-year basis.
- Restaurant level operating margin was 12.8%, a decrease from 26.1% in 2015.

Shareholder Outreach and Response to 2016 SOP Vote

Throughout 2016, both before and after the annual meeting, members of the Compensation Committee engaged in discussions with a number of our largest shareholders to solicit feedback on our compensation programs. These engagement efforts included discussions regarding our business strategy and plans in light of the downturn in our business that began in late 2015, and related compensation considerations.

At our 2016 annual meeting of shareholders, 72% of the votes cast by our shareholders supported our say-on-pay proposal, which was a decrease from the 95% approval at our 2015 annual meeting. We believe this result was primarily due to our disappointing business and stock price performance, but members of the committee also continued to engage with shareholders to understand what drove the vote result.

Over the course of 2016, shareholder engagement with members of the Board on compensation and governance issues reached holders of over 60% of our outstanding common stock. We view these discussions as an important opportunity to develop broader relationships with investors over the long term and to engage in open dialogue on compensation and governance related issues.

We took investor feedback into account, and took a number of actions in both 2016 and early 2017 to address investor concerns, as depicted below:

WHAT WE HEARD FROM SHAREHOLDERS	WHAT CHIPOTLE DID
Disappointed with the decline in stock price that began in late 2015	• Tied 2016 performance share award to challenging absolute stock price goals to focus executive officers on rebuilding value and ensuring alignment with shareholder interests
Concerned with select features of 2016 performance share award design	• Modified 2016 awards to reduce maximum payout, increase the duration of over which stock price performance must be sustained in order for awards to vest, and add a cap in the event our stock price declines after stock price goals are achieved during the performance period
Want to ensure there is balance in performance share award design and that design is complementary to key strategic objectives	• Introduced a key financial metric - comparable restaurant sales increases - into the 2017 performance share design (see 2017 Design Highlights) in addition to challenging absolute stock price targets.
Concerned with the level of equity awards to our CEO continue to be high (this was a larger issue when we had Co-CEOs)	• Reduced 2017 equity award level for our CEO by 36% (at target) • No longer have Co-CEOs
Desire to ensure pay and performance alignment	• Designed 2016 and 2017 performance share awards to have an absolute stock price goal component (the sole metric in the 2016 awards) • As a result of annual incentive plan goals not being met, our executive officers did not earn annual incentive payouts for the 2015 and 2016 plan years

2016 Pay Actions

As a result of the above, our 2016 executive officer pay was significantly impacted:

ACTION	ADDITIONAL CONSIDERATIONS
No annual incentives under our Annual Incentive Plan, or AIP, were paid to our executive officers for 2016 performance given the 2016 annual incentive performance goals were not met	• This is the second consecutive year for which our executive officers did not receive an annual incentive payout.
Performance shares were awarded to executives tied to highly challenging absolute stock price goals	• We intended to clearly align compensation for our executive officers to our shareholders' investment performance. • As of December 31, 2016, the realizable value of these awards is $0.
No salary increase for our CEO	• Our co-CEOs, at the time, received no salary increases.

Alignment of CEO Realizable Pay Value and Performance

The Compensation Committee reviewed a three-year realizable pay value analysis for the executive officers to inform design and award levels for 2017 equity awards. We calculate realizable pay as the sum of annual base salary, actual AIP bonus paid, the "in-the-money" value of SOSARs and of performance shares that are based on achievement of absolute stock price targets, and, for performance shares that are based on the level of relative achievement versus the peer group, the current value as determined by measuring relative performance thus far in the performance period and determining the resulting level of assumed payout.

- The aggregate realizable pay value of the total base salary, AIP bonus, and long-term incentives, or LTI, for our CEO for the last three fiscal years (2014-2016) was $8.0 million at the end of 2016, or approximately 13.4% of the three-year total compensation values disclosed in the Summary Compensation Table (plus the target AIP bonus for each year).
- The realizable pay value of our last three fiscal years of LTI awards to our CEO was zero at the end of 2016.
- Another way to express the realizable pay value of our last three fiscal years of LTI awards is that the 2014 and 2016 awards, the value of which is driven directly by stock price, had zero "in-the-money" value as of December 31, 2016, and the 2015 awards, the value of which is based on relative performance versus our peer group, would not have paid out as of December 31, 2016.

Key responsibilities of our Chairman-CEO

- Chairs Board meetings
- Chairs annual shareholder meeting
- Serves as the **public face** of our Board and our firm
- Provides input to Lead Director on agenda for Board meetings (which the Lead Director approves) and reviews schedule for Board meetings
- Guides discussions at Board meetings and encourages directors to voice their views
- Serves as a resource for our Board
- **Communicates significant business developments and time-sensitive matters** to the Board
- Establishes the "tone-at-the-top" in coordination with the Board, and embodies these values for our firm
- Responsible for **managing the day-to-day business and affairs** of our firm
- Sets and leads the implementation of corporate policy and strategy
- Interacts regularly with our COOs, CFO and other senior leadership of our firm
- Manages senior leadership of our firm
- Meets frequently with clients and shareholders, providing an opportunity to understand and respond to concerns and feedback; communicates feedback to our Board

Powers and duties of our Independent Lead Director

- Provides independent leadership
- **Sets agenda** for Board meetings, working with our Chairman (including adding items to and approving the agenda), and approves the related materials; approves the schedule for Board and committee meetings; sets agenda and approves materials for Governance Committee meetings; approves agenda for other committee meetings (along with our other independent Committee Chairs, who also approve the materials for these meetings)
- Engages with our other independent directors to **identify matters for discussion at executive sessions** of independent directors
- Presides at executive sessions of independent directors
- Advises our Chairman of any decisions reached and suggestions made at the executive sessions, as appropriate
- Calls meetings of the independent directors
- Presides at any Board meeting at which the Chairman is not present
- **Facilitates communication between the independent directors and our Chairman,** including by presenting our Chairman's views, concerns and issues to the independent directors and raising to our Chairman, as appropriate, views, concerns and issues of the independent directors
- Engages with our Chairman between Board meetings and assists with informing or engaging non-employee directors, as appropriate
- Engages with each non-employee director separately regarding the performance and functioning of the collective Board, individual director performance and other matters as appropriate
- Oversees our Board's governance processes, including Board evaluations, succession planning and other governance-related matters
- **Leads the annual CEO evaluation**
- Meets directly with management and non-management employees of our firm
- Consults and directly communicates with shareholders and other key constituents, as appropriate

A COMMITMENT TO WELL-DESIGNED CORPORATE GOVERNANCE THAT ALIGNS WITH SHAREHOLDER EXPECTATIONS

For many years, Chipotle has been committed to aligning the composition of our Board and our corporate governance policies and structures with the creation of shareholder value through our unique business model, and with shareholder viewpoints on key governance-related issues. This commitment has been illustrated through a number of actions we have taken over many years, as illustrated below.

2016

Dec 2016

- Continued our Board refreshment and succession program by appointing four high-caliber new independent directors to our Board with a wide range of skills and experience; two of whom were appointed under an agreement with a large shareholder.
- Streamlined our management by eliminating our Co-CEO structure in connection with the retirement of Monty Moran.

Oct 2016

- Adopted a market-standard proxy access bylaw, in response to voting at the 2016 annual meeting of shareholders and shareholder engagement discussions, including with our Lead Director.

May 2016

- Implemented the right for shareholders to call special meetings, in response to shareholder voting on a management-sponsored proposal at the 2016 annual meeting of shareholders.
- Completed phase-out of classified Board structure begun in 2014.

2015

Sep 2015

- Implemented majority voting for director elections, in response to shareholder voting on a management-sponsored proposal that originated with shareholder engagement efforts, at the 2015 annual meeting of shareholders.

May 2015

- Eliminated provisions requiring supermajority voting to approve certain corporate actions, in response to shareholder voting at the 2014 annual meeting of shareholders.

Mar 2015

- Continued our Board refreshment and succession program by appointing a new independent director, Stephen Gillett, with significant technology experience.

2014

May 2014

- Began phase-out of classified Board structure, in response to shareholder voting at the 2013 annual meeting of shareholders.

2013

Sep 2013

- Continued our Board refreshment and succession program by appointing a new independent director, Kimbal Musk, to our Board with restaurant operating experience, as well as expertise in entrepreneurialism and innovation.

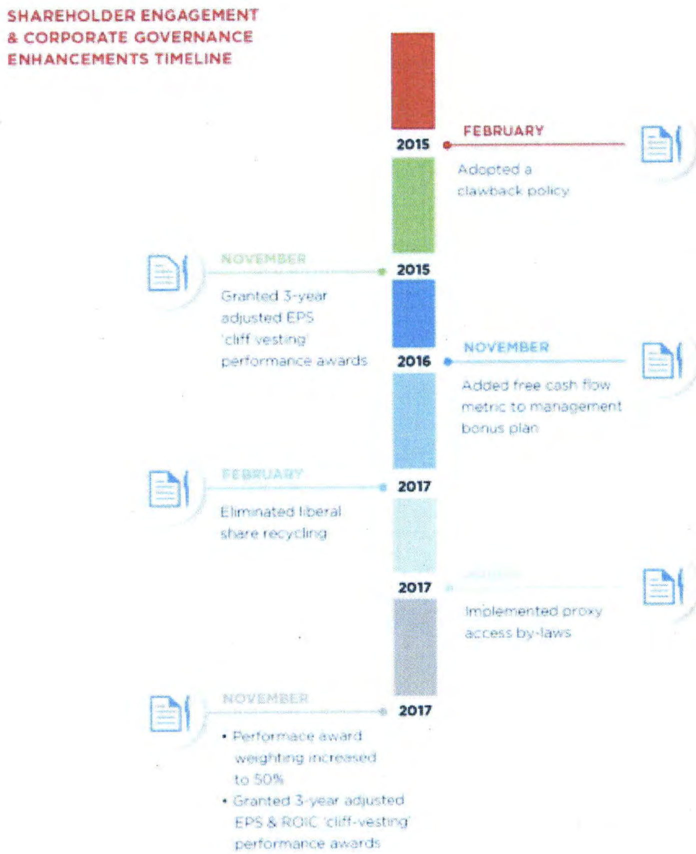
2012

Sep 2012

- Appointed a new independent director to our Board with executive-level restaurant company experience (this director stepped down in 2014 due to other commitments).

SHAREHOLDER ENGAGEMENT

Over the past few years, in response to shareholder feedback, the Board has incorporated the enhancements to our executive compensation program and corporate governance practices that are depicted in the timeline below.



2016 Say On Pay Vote Outcome and Shareholder Engagement

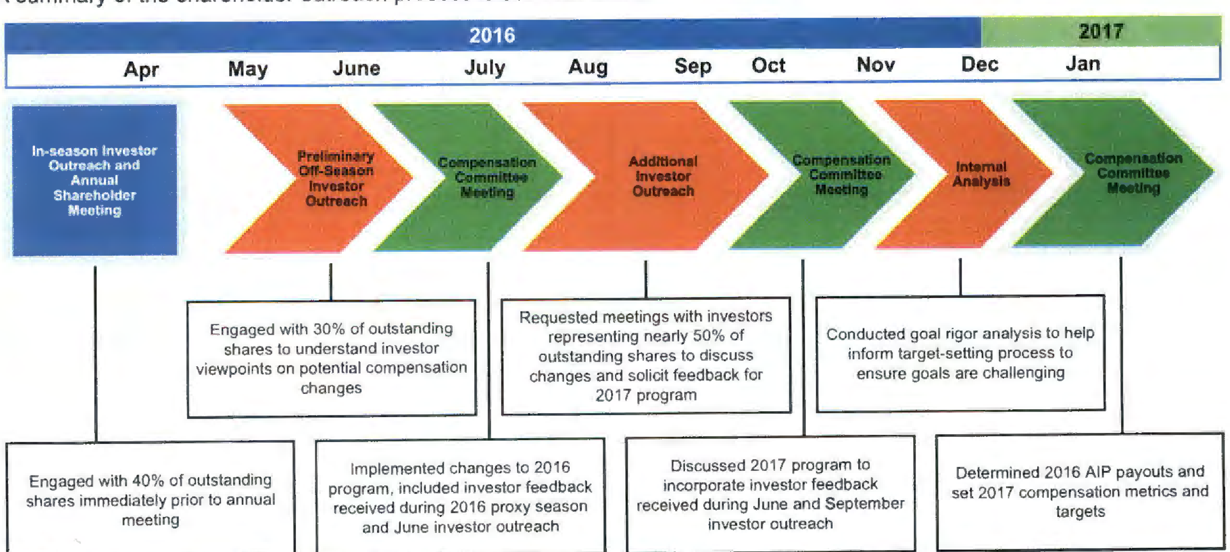
The committee regularly reviews executive compensation. However, in response to the company's 2016 advisory vote on executive compensation, which received only 38% support from shareholders, the compensation committee and management undertook an enhanced engagement program to solicit feedback from shareholders. As part of this process, Exelon contacted nearly 50% of our shareholder base and met with shareholders accounting for approximately 45% of Exelon's shares outstanding.

Mr. Yves de Balmann, the new chairman of the compensation committee as of April 2016, led meetings and calls with shareholders accounting for approximately 45% of Exelon's shares outstanding. The compensation committee considered the shareholder feedback from these engagement meetings and implemented a number of changes that were responsive to this feedback.

The breadth of the company's outreach program enabled the compensation committee to speak with and consider feedback from a significant cross-section of Exelon's shareholder base. Exelon's engagement team met with governance professionals and portfolio managers from active funds as well as governance professionals from index funds, ranging from shareholders with positions as large as 7.6% of Exelon's shares outstanding to those who own less than 1%.

The compensation committee took the opportunity to modify the compensation program at its July meeting in order to respond to the say-on-pay vote and implemented shareholder feedback immediately, including retroactively modifying the 2016 program in line with this feedback.

A summary of the shareholder outreach process is set forth below:



Following the say-on-pay vote at our 2016 annual meeting, we engaged with our investors to ensure that changes to our compensation program incorporated shareholder feedback

A summary of the key feedback that we received from shareholders and our responses to that feedback is outlined in the tables below. The refinements made to the compensation program are broadly designed to:

- Drive even closer alignment between executive compensation and company performance analyses of the Company's historical pay levels relative to our Peer Group. Shea & Associates also provides projections regarding general executive compensation market trends among the universe of financial institutions that are relevant competitors for executive talent.

Following the year-end, the Compensation Committee conducts a comprehensive Performance Assessment of the Company's accomplishments during the year and over the long term, on both an absolute basis and relative to our Peer Group, and considers the individual contributions of our senior management team. As part of the continuous evolution of our compensation program, the Committee made further enhancements this year to further evolve equity award structures. In January 2017, based upon the Performance Assessment, the Compensation Committee made final performance-based incentive cash and equity grant determinations for our named executive officers.

Exhibit 1

Named Executive Officer Compensation Determination Process

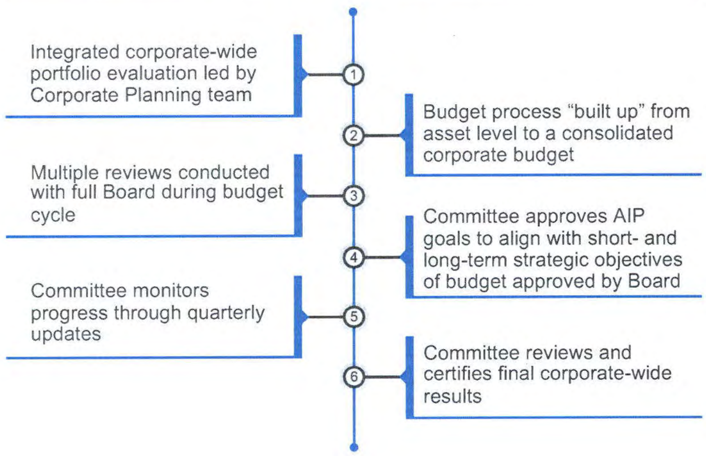
Q1	Q2	Q3	Q4	Final Assessment
Review compensation philosophy and long-term performance Discuss long-term incentive plan objectives Discuss financial and strategic objectives Evaluate the Company's absolute and relative financial performance on a year-to-date basis	Review initial assessment of Peer Group compensation provided by Shea & Associates Evaluate the Company's absolute and relative financial performance on a year-to-date basis Discuss potential implications for executive compensation	Review final Peer Group compensation arrangements and financial results provided by Shea & Associates Review the Company's "Say-on-Pay" vote results and consider market data Evaluate the Company's absolute and relative financial performance on a year-to-date basis Discuss potential implications for executive compensation	Review updated analysis of the compensation landscape, Peer Group compensation and the marketplace for the services of the Company's senior management Review stockholder and proxy advisory firm feedback Evaluate the Company's absolute and relative financial performance on a year-to-date basis Discuss potential implications for executive compensation	Review Company performance, including key financial metrics, stockholder value creation and strategic performance criteria Evaluate relative financial and stock performance metrics vs. our Peer Group Incorporate final performance factors into Performance Assessment Consider final structure and mix of awards, and conduct Performance Assessment Finalize award amounts, mix and structure

2016 Performance Highlights

The Company's performance highlights for 2016 include strong financial results, including record levels across multiple key financial metrics and growth across many areas of our business, as well as the successful execution of key strategic initiatives to position us for future growth.

The Company's results were particularly strong when viewed against the challenging environment for asset managers in 2016. Macroeconomic and geopolitical events, including the United Kingdom's vote on the referendum to exit the EU and the impact of the pending presidential election in the United States, contributed to meaningful market volatility throughout the year, muting investor risk appetite for return-oriented products generally. Across the investment management industry, volatile markets impacted revenue from asset-based fees, and lower risk appetite resulted in net outflows of actively-managed client assets as investors reallocated toward passive instruments. AMG generated strong gross sales during the year and positive net client cash flows overall, including organic growth as a percentage of AUM of +1.2% (from net client cash flows only, not including market appreciation), in contrast to AMG's Peer Group average rate of net outflows of -3.8% during the year. Similarly, while AMG's stock price declined during 2016, stockholder returns across the sector were also weak, with a median stock price decline of -5% across publicly traded traditional and alternative asset managers. Given this challenging environment, the strong exercise appropriate discretionary adjustments depending on various internal/external factors, including stock performance.

AIP Performance Goal Setting Process



Changes to Performance Goals for 2016. While the 2016 AIP performance goals were similar to 2015, the Committee simplified the overall design and re-allocated the weighting of the performance goals to provide increased focus on the key areas that were essential to delivering higher returns and emphasizing financial discipline, while maintaining a safe work environment and creating stockholder alignment. The LOE and Controllable G&A performance goal from the 2015 AIP was renamed Controllable Cash Costs and expanded to include gathering, processing and marketing costs and oil and gas transportation costs. The Committee believed that such modifications would focus the executive officers' efforts on the controllable aspects of the business performance to maximize operational and financial results during a challenging commodity-price environment.

The performance goals are intended to work together to achieve the Company's short-term and long-term objectives. For example, the 2016 financial performance goals, Controllable Cash Costs and Capital Expenditures which each had the strongest weighting of 25%, worked together to ensure the Company exercised financial discipline. To the extent the Company was successful in achieving its target on Controllable Cash Costs, resulting in reduced expenses, more cash flow was available to invest in projects that provide strong economic returns and enhance sales volumes or increase reserves in a cost-efficient manner.

Operating Base Volumes were excluded from the 2016 AIP performance goals as a result of potential difficulties in isolating direct performance-related effects on the score. EBITDAX/BOE was eliminated due to unusually high commodity price uncertainty and volatility, which made it particularly difficult to set an appropriate target. Since the AIP applies to all employees of the Company, TSR was excluded as results can be heavily influenced by corporate actions or factors outside of direct employee control. In addition, most of our executive officers' compensation opportunity is delivered in equity-based incentives that are tied to TSR.

Based on shareholder feedback, we are transitioning from the average of three one-year performance periods to a three-year performance period as shown below:

	2014	2015	2016	2017	2018	2019	
2014-2016	Operational Excellence (40%) Financial Management (60%)	Operational Excellence (40%) Financial Management (60%)	Earned ROE at Exelon (50%) FFO/Debt at ExGen (50%)				*Average of three years of performance*
2015-2017		Operational Excellence (40%) Financial Management (60%)	Earned ROE at Exelon (50%) FFO/Debt at ExGen (50%)	Utility Net Income (33.3%) Utility Earned ROE (33.3%) Exelon FFO/Debt (33.4%)			*Average of three years of performance*
2016-2018			Earned ROE at Exelon (50%) FFO/Debt at ExGen (50%)	Utility Net Income (33.3%) Utility Earned ROE (33.3%) Exelon FFO/Debt (33.4%)			*Weighted average of two performance periods*
2017-2019				Utility Net Income (33.3%) Utility Earned ROE (33.3%) Exelon FFO/Debt (33.4%)			*Straight performance, no average*

How the PShares Work. Each NEO's target performance share unit award is applied against the following:

Step 1	Step 2	Step 3	Step 4	Step 5
Establish PShare Target	**Determine Performance Multiplier**	**Determine TSR Modifier**	**Calculate Final Multiplier**	**Apply Final Multiplier**
• Set in January of the first year of the performance cycle	• Performance over the cycle • Performance can range from 0% to 150% of target (target of 100%)	• Subtract the performance of the UTY from Exelon's absolute TSR performance over the three-year performance period (e.g., 2016-2018)	• Multiply the Performance Multiplier by (1 + the TSR Multiplier) • If one-year Exelon absolute TSR is negative, PShare payout will be capped at target*	• Apply the final multiplier to the number of shares granted • Award can range from 0% to 200% of target (target of 100%) after application of the TSR modifier

* *New feature for 2016 added in response to shareholder feedback*

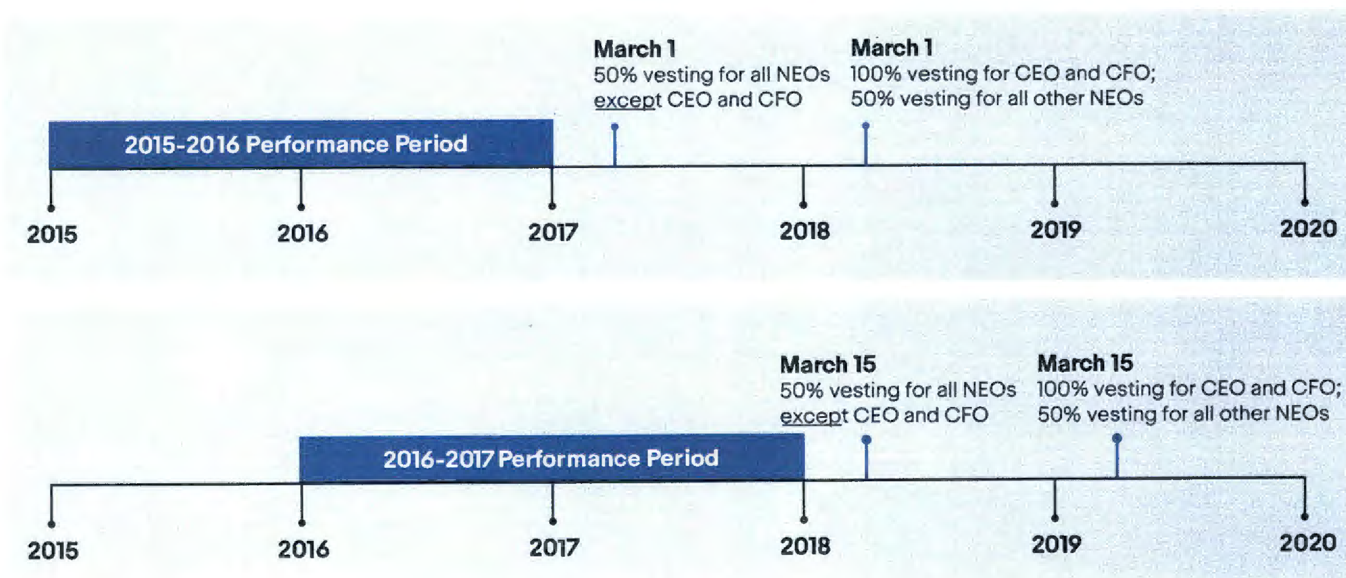
In prior years, the PShare process included an additional step to apply an individual performance multiplier. Some shareholders voiced concern about the use of the discretionary IPM, so it was removed from future PShare payout determinations.

Each PBRSU cycle has a two-year performance period. The performance goals for each cycle are approved by the Compensation Committee at the beginning of the performance period. Each executive officer is awarded a target number of shares subject to the PBRSU award at the beginning of the performance period.

If the Company's actual performance exceeds or falls short of the target performance goals, the actual number of shares subject to the PBRSU award will be increased or decreased formulaically.

Under the PBRSU program, 100% of any PBRSU awards granted to our CEO and CFO will vest, if at all, 14 months following the end of the applicable two-year performance period. This provision subjects 100% of the CEO and CFO PBRSU awards to a full three years of stock price volatility before the shares vest. For all executive officers other than the CEO and CFO, one-half of the PBRSUs vest in March following the end of the applicable performance period, and the other half of the award vests in March of the following year, more than one full year following the completion of the performance period. The Compensation Committee believes that the post-performance period vesting feature of the PBRSUs provides an important mechanism that helps to retain executive officers and align their interests with long-term stockholder value.

PBRSU TIMELINE



Performance Measures and Rationale. As discussed above, the number of shares subject to a target PBRSU award are adjusted based on whether the Company's actual performance exceeds or falls short of the target performance goals for the applicable performance period.

[Insert Your Organization Name]

Board Matrix

This sample matrix can help boards and investors assess the level of experience each company director/nominee has in various areas, as well as in the areas of gender, sexual orientation and racial/ethnic diversity, age and tenure.

	Board of Directors							
	Name 1	Name 2	Name 3	Name 4	Name 5	Name 6	Name 7	Name 8
Skills & Experience								
Board of Directors Experience	X			X				
[Specific] Industry Experience		X					X	
CEO/Business Head	X			X				
International	X					X	X	
Human Capital Management/Compensation			X				X	
Finance/Capital Allocation		X			X		X	
Financial literacy/Accounting (Audit Committee Financial Expert or "ACFE")			X			X		
Government/Public Policy	X			X				
Marketing/Sales			X		X			
Environmental Science/Policy/Regulation						X		
Academia/Education								
Risk Management				X				
Corporate Governance		X						X
Technology/Systems					X			X
Business Ethics			X			X		X
Real Estate		X			X			X
[Custom 1]								
Demographic Background								
Board Tenure								
Years	15	15	10	8	7	7	4	1
Sexual Orientation (voluntary)								
LGBTQ	X							
Gender								
Male		X	X	X	X	X		X
Female	X						X	
Non-Binary								
Age								
Years old	60	63	65	62	60	67	55	47
Race/Ethnicity								
African American/Black	X							
Asian, Hawaiian, or Pacific Islander								
White/Caucasian		X	X	X		X	X	X
Hispanic/Latino					X			
Native American								
Other								

Summary of Director Qualifications and Experience

	Baltimore, Thomas J., Jr.	Casellas, Gilbert F.	Grier, Mark B.	Hund-Mejean, Martina	Krapek, Karl J.	Lighte, Peter C.	Paz, George	Pianalto, Sandra	Poon, Christine A.	Scovanner, Douglas A.	Strangfeld, John R.	Todman, Michael A.
ACADEMIA/EDUCATION experience is important because it brings perspective regarding organizational management and academic research relevant to our business and strategy.						●		●	●			
BUSINESS ETHICS experience is important given the critical role that ethics plays in the success of our businesses.		●	●								●	
BUSINESS HEAD/ADMINISTRATION experience is important since directors with administration experience typically possess strong leadership qualities and the ability to identify and develop those qualities in others.	●	●	●	●	●	●	●	●	●	●	●	●
BUSINESS OPERATIONS experience gives directors a practical understanding of developing, implementing and assessing our operating plan and business strategy.	●	●	●	●	●	●	●	●	●	●	●	●
CORPORATE GOVERNANCE experience supports our goals of strong Board and management accountability, transparency and protection of shareholder interests.	●	●	●	●	●	●	●	●	●	●	●	●
ENVIRONMENTAL/SUSTAINABILITY/CORPORATE RESPONSIBILITY experience strengthens the Board's oversight and assures that strategic business imperatives and long-term value creation for shareholders are achieved within a responsible, sustainable business model.		●	●		●						●	
FINANCE/CAPITAL ALLOCATION experience is important in evaluating our financial statements and capital structure.			●	●	●	●	●	●		●	●	●
FINANCIAL EXPERTISE/LITERACY is important because it assists our directors in understanding and overseeing our financial reporting and internal controls.	●	●	●	●	●	●	●	●	●	●	●	●
FINANCIAL SERVICES INDUSTRY experience is important in understanding and reviewing our business and strategy.			●	●		●	●	●		●	●	
GOVERNMENT/PUBLIC POLICY experience is relevant to the Company as it operates in a heavily regulated industry that is directly affected by governmental actions.		●	●			●	●	●				●
INSURANCE INDUSTRY experience is important in understanding and reviewing our business and strategy.			●			●	●				●	
INTERNATIONAL experience is important in understanding and reviewing our business and strategy.			●	●	●	●			●		●	●
INVESTMENTS experience is important in evaluating our financial statements and investment strategy.	●	●		●		●				●	●	
MARKETING/SALES experience is relevant to the Company as it seeks to identify and develop new markets for its financial products and services.									●			●
REAL ESTATE experience is important in understanding and reviewing our business and strategy.	●				●					●		
RISK MANAGEMENT experience is critical to the Board's role in overseeing the risks facing the Company.		●	●	●	●	●	●	●		●	●	●
TALENT MANAGEMENT experience is valuable in helping us attract, motivate and retain top candidates for positions at the Company.	●	●	●	●	●	●	●	●	●	●	●	●
TECHNOLOGY/SYSTEMS experience is relevant to the Company as it looks for ways to enhance the customer experience and internal operations.			●		●						●	

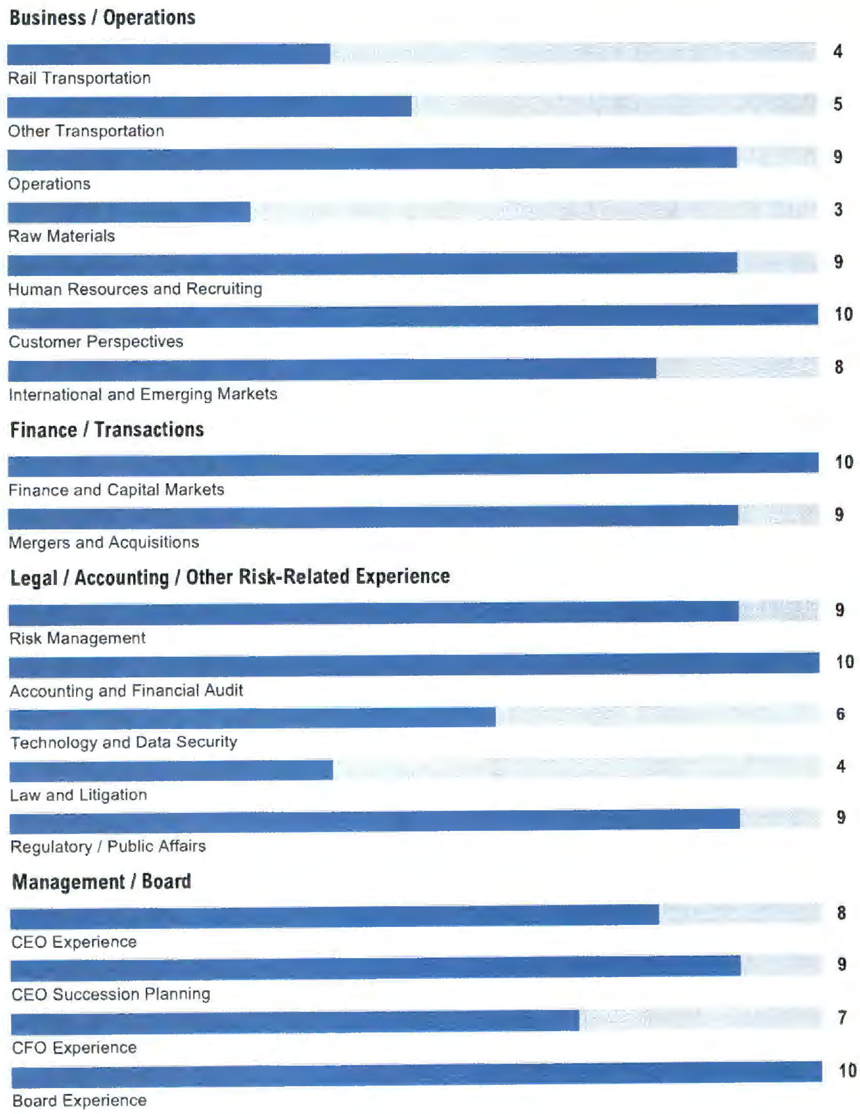
Director Experience, Qualifications, and Skills

The Governance Committee is responsible for recommending to the full Board a slate of director nominees who collectively have the complementary experience, qualifications, skills, and attributes to guide the Company and function effectively as a Board. We believe that each of the nominees satisfies the criteria for membership set forth above and has key skills and attributes that are important to an effective board. Each of the nominees, other than Mr. Kenney, is also independent of the Company and management. See *Board Independence* on page 5.

Listed below are certain key experiences, qualifications, and skills of our director nominees that the Governance Committee believes are relevant and important in light of GATX's business and structure.

Snapshot of 2017 Director Nominees

Our Directors' Core Skills:



Average Age of independent directors

64.1 years

Average Tenure of independent directors

6.1 years

Director and Nominee Skills and Experience

Under the leadership of our Nominating and Governance Committee, in 2016 our Board developed a director skills matrix that identifies expertise and experience that the Board believes contribute to an effective and well-functioning board and that the Board as a whole should possess.

The Nominating and Governance Committee and the Board use this matrix to identify areas for director training and as a tool to maintain a balanced and well-rounded board. In addition, the Nominating and Governance Committee considers these and other criteria when evaluating potential candidates for the Board. Together, this variety of skill sets, experiences, and personal backgrounds allows our directors to provide the diversity of thought that is critical to the Board's decision-making and oversight process. For a better understanding of our Board qualifications and diversity, we encourage you to read "Board Qualifications and Diversity" on page 2.

		Lowe	O'Leary	Puckett	Roberts	Shaw	Utley
ENTERPRISE PRIORITIES	**Employee Engagement, Safety, and Talent** *Examples include culture, safety results, and workforce planning*	◔	◑	◑	●	◑	●
	Strategic Portfolio Management *Examples include experience with acquisitions, divestitures, integration, and strategic planning*	●	●	●	●	◑	◑
	Operations and Continuous Improvement *Examples include experience in operations, project management, and supply chain management*	◑	●	◑	●	◑	◑
	Innovation and Technology Development *Examples include research and development, new product introductions, and business transformation*	●	◑	◔	●	◑	●
	Growth and Value Creation *Examples include sales, distribution, and channel management*	●	◑	◑	●	◑	◑
	Financial Planning and Review *Examples include financial and accounting experience*	◑	●	●	●	◑	◑
OTHER KEY EXPERIENCE	**CEO Experience**	◑	◔	◑	●	●	◔
	Corporate Governance	◔	●	●	●	●	◔
	Executive Compensation	◔	●	●	●	●	◔
	Risk Management	◑	●	●	●	◑	◑
	Ethics and Compliance	◑	●	●	●	◑	●
	Technology and Cybersecurity	◑	◑	◑	◑	◑	◑
	Industry Expertise (multi-industrial manufacturing)	◑	●	◔	●	◔	◑
	Large Project Management	◑	◑	◑	●	◑	●

RATING SCALE

● Technical Expertise (e.g., direct hands-on experience and subject-matter expert during his/her career)
◑ Managerial knowledge (e.g., experience derived through general managerial experience)
◔ Working knowledge (e.g., exposure as a Board committee member at SPX or another company)
○ No knowledge (e.g., exposure comes from Board committee report-outs only)

CORPORATE GOVERNANCE MATTERS

Director Expectations and Qualifications

The Corporate Governance Committee, in consultation with the Board, has identified individual director expectations and qualifications, characteristics, skills and experience that it believes every member of the Board should have. In addition, the Corporate Governance Committee has identified areas of expertise that it believes support Cigna's business strategy in the short- and long-term, enable the Board to exercise its oversight function and contribute to a well-rounded Board. In developing these areas of expertise, the Board considered the skills necessary to support business strategy and the skills and experiences reflected on the boards of companies within Cigna's peer group, as well as best practices among other large companies. The Board regularly reviews the identified areas to ensure they support changes in the Company's strategy and the Board's needs. The Corporate Governance Committee and the Board take into consideration these criteria and the mix of experience as part of the director recruitment, selection, evaluation and nomination process.

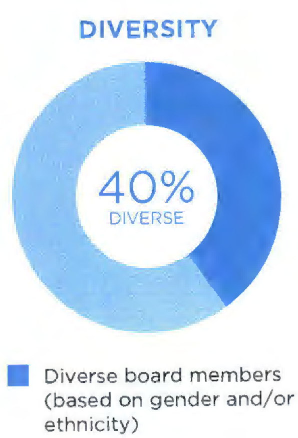
Expectations of Every Director

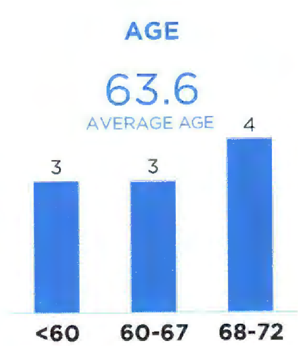
- Understand Cigna's businesses and the importance of the creation of shareholder value
- Participate in an active, constructive and objective way at Board and committee meetings
- Review and understand advance briefing materials
- Contribute effectively to the Board's evaluation of executive talent, compensation and succession planning
- Contribute effectively to the Board's assessment of strategy and risk
- Share expertise, experience, knowledge and insights on matters before the Board
- Advance Cigna's business objectives and reputation
- Demonstrate an ongoing commitment to consult and engage with the CEO and senior management outside of Board and committee meetings on matters affecting Cigna

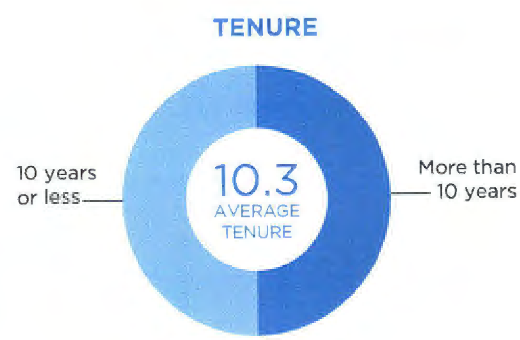
Qualifications, Characteristics, Skills and Experience of Every Director

- Good judgment and strong commitment to ethics and integrity
- Ability to analyze complex business and public policy issues and provide relevant input concerning the Company's business strategy
- Free of conflicts of interest
- Ability to assess different risks and impact on shareholder value
- Contribution to the Board's overall diversity of thought
- High degree of achievement in their respective fields

While the Board does not have a formal policy with regard to diversity, the Corporate Governance Committee works to ensure that the Board is comprised of individuals with expertise in fields relevant to Cigna's business, experience from different professions and industries, a diversity of age, ethnicity, gender and global experience and a range of tenures. The Board believes that a range of tenure allows both new perspective and continuity. This continuity has proven beneficial given the complexities of the health care industry and the significant change and uncertainty the health care industry has faced over the past several years.

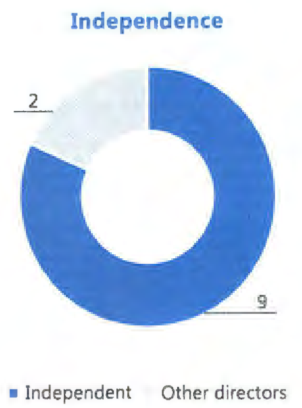




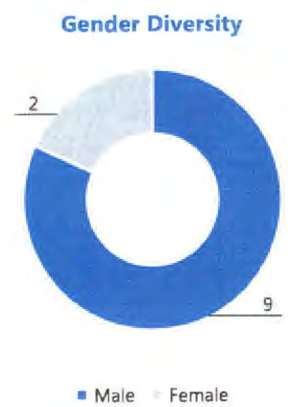


SNAPSHOT OF BOARD COMPOSITION

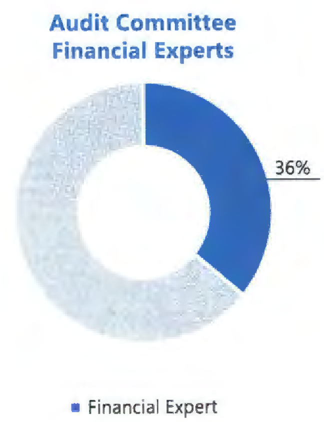
Presented below is a snapshot of the expected composition of our Board of Directors immediately following the 2017 annual meeting assuming the election of the eleven (11) nominees named in the proxy statement. For comparison purposes, we have also presented comparable metrics for the constituents of the S&P 500 Index, of which Boston Properties is a member. (Data for the S&P 500 Index is based on the *Spencer Stuart Board Index 2016*.)



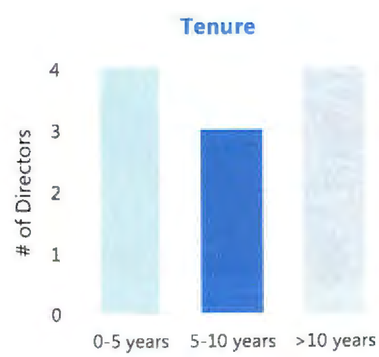
BXP % of independent directors: **82%**
S&P 500 % of independent directors: **85%**



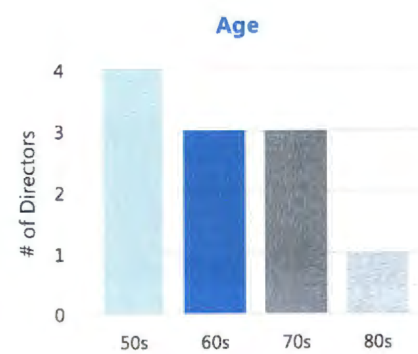
S&P 500 average # of female directors: **2.3**



S&P 500 % of directors designated as Financial Experts: **25%**



BXP average tenure: **8.9 years**
S&P 500 average tenure: **8.3 years**



BXP average age of all directors: **65.6 years**
BXP average age of independent directors: **67.9 years**
S&P 500 average age of independent directors: **63.0 years**

Board Profile

Unum values a Board that represents a variety of backgrounds, experience and perspectives. With that in mind, the Governance Committee periodically reviews the composition of the Board, considering a number of factors.

Qualifications

We strive to maintain a Board with independence of thought and diverse professional experience. The committee looks for directors who have qualifications in areas relevant to Unum.

- Financial services industry experience keeps us abreast of industry and marketplace trends, and helps us navigate the increasingly complex regulatory environment.
- Experience as a corporate or business unit CEO provides us valuable insight into understanding organizations and business strategy, and driving change.
- Investment markets expertise helps guide our prudent investment strategy and maintain strong alignment with shareholders.
- An operational background ensures management remains focused on improving business processes, leveraging partnerships and developing talent.
- Global experience helps us better understand international markets and the nature of running a company such as Unum, with operations in the U.S., U.K. and Ireland.

The following charts show the distribution of certain qualifications among our 11 director nominees:

9 (82%) Financial Services Industry

9 (82%) Current/Former Public Company C-Suite (3 CEOs)

4 (36%) Investment Markets Expertise

7 (64%) Operations Backgrounds

5 (45%) International Experience

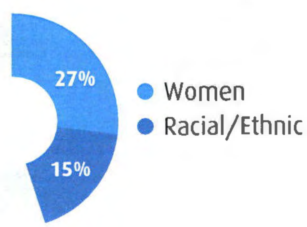
Tenure

Directors with varied tenure contribute to a range of perspectives and ensure we transition knowledge and experience from longer-serving members to those newer to our Board. We have a good mix of new and long-standing directors, with our 10 independent director nominees averaging 5.9 years of service on our Board.

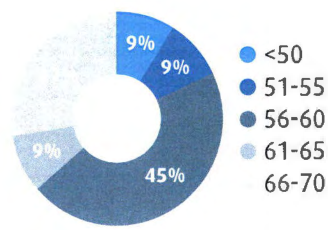
Diversity

Our directors represent a range of backgrounds and overall experience. More than one-third are women or represent an ethnic group, which places Unum's Board among the top of our industry in gender and ethnic diversity. In recent years, our Governance Committee has focused on ensuring continued diversity on the Board during refreshment activities by requiring that candidate pools include diverse individuals meeting the recruitment criteria. Our director nominees range from 48 to 70 years of age, with the average age being 60.2 years.

Gender/Racial/Ethnic diversity



Age



Process for Selecting and Nominating Directors

The Governance Committee is responsible for identifying and evaluating director candidates and recommending to the Board a slate of nominees for election at each annual meeting of shareholders. The Committee has engaged a third-party search firm to assist with recruitment efforts in preparation for anticipated retirements. This firm identifies candidates who meet the criteria of our search, provides requested background and other relevant information regarding candidates, and coordinates arrangements for interviews as necessary. Nominees may also be suggested by directors, management, or shareholders.

Shareholders who wish to recommend director candidates for consideration by the Governance Committee must submit to the Corporate Secretary at Unum Group, 1 Fountain Square, Chattanooga, Tennessee 37402 the same information that would be required to nominate a director candidate as described on page 111 in the section titled "Shareholder proposals and nominations for our 2018 Annual Meeting." The Governance Committee's policy is to consider candidates recommended by shareholders in the same manner as other candidates.

In addition, our bylaws permit shareholders to nominate directors for inclusion in our proxy materials or directly at an Annual Meeting in accordance with the procedures in our bylaws, as described on page 111 in the section titled "Shareholder proposals and nominations for our 2018 Annual Meeting."

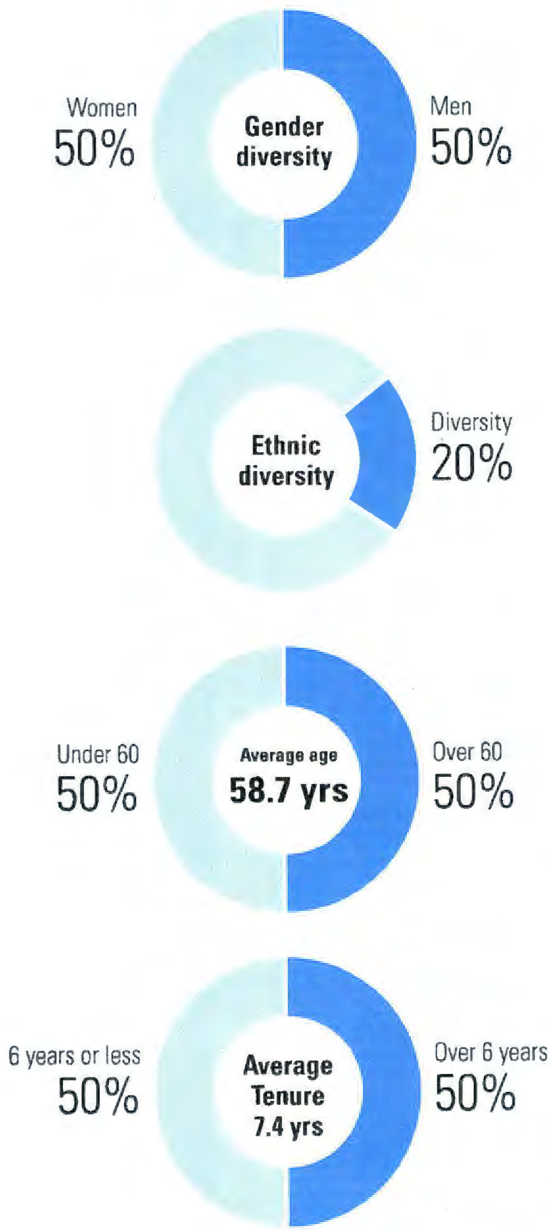
Our corporate governance guidelines specify the following criteria to be used in evaluating the candidacy of a prospective nominee:

- Reputation for high ethical conduct, integrity, sound judgment, and accountability;
- Current knowledge and experience in one or more core competencies identified in the corporate governance guidelines;

Alliant Energy

Board of Directors

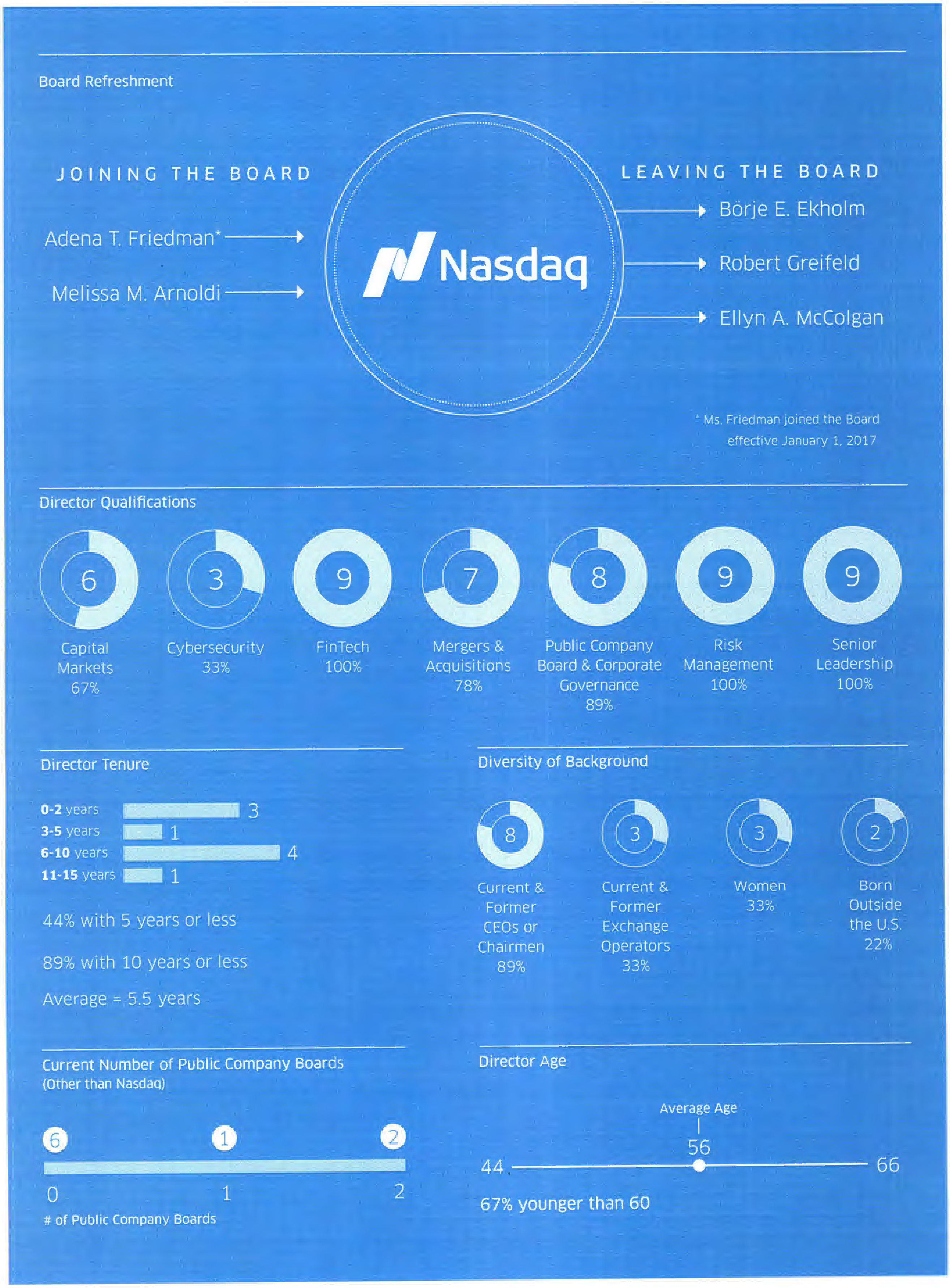
SNAPSHOT



Corporate governance

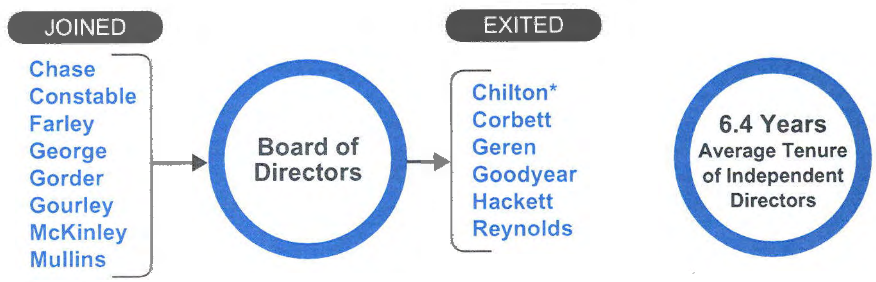
- Nine out of ten directors are independent
- Lead independent director with clearly defined and robust responsibilities
- Executive sessions of independent directors held at each regularly scheduled board meeting
- Annual board and committee self-assessments
- Share ownership guidelines based on total annual retainer
- Director resignation policy for directors in uncontested elections that do not receive majority "for" vote

Skills and qualifications


Board Refreshment
JOINING THE BOARD
Adena T. Friedman*
Melissa M. Arnoldi
Nasdaq
LEAVING THE BOARD
Börje E. Ekholm
Robert Greifeld
Ellyn A. McColgan
* Ms. Friedman joined the Board effective January 1, 2017
Director Qualifications
6
Capital Markets 67%
3
Cybersecurity 33%
9
FinTech 100%
7
Mergers & Acquisitions 78%
8
Public Company Board & Corporate Governance 89%
9
Risk Management 100%
9
Senior Leadership 100%
Director Tenure
0-2 years 3
3-5 years 1
6-10 years 4
11-15 years 1
44% with 5 years or less
89% with 10 years or less
Average = 5.5 years
Diversity of Background
8
Current & Former CEOs or Chairmen 89%
3
Current & Former Exchange Operators 33%
3
Women 33%
2
Born Outside the U.S. 22%
Current Number of Public Company Boards (Other than Nasdaq)
6
1
2
0
1
2
# of Public Company Boards
Director Age
Average Age
56
44
66
67% younger than 60

The Governance and Risk Committee considers these and other factors and the extent to which such attributes can be represented when evaluating potential candidates for the Board. Other factors considered include board refreshment and director tenure. Together, this diversity of skill sets, experiences and personal backgrounds allows our directors to provide the diversity of thought that is critical to the Board's decision-making and oversight process.

Board Refreshment Since May 2012



Effective at close of the Annual Meeting.

Annual Board Evaluation Process

The Board and each of the independent committees conducted self-evaluations related to their performance in 2016, including an evaluation of each director. The Governance and Risk Committee supervises the performance evaluations and uses various processes from year to year in order to solicit feedback, including periodic in-person interviews conducted by the Lead Director with each of the Board members. Following a discussion of the results of the evaluations, the Board and each committee review and discuss the evaluation results, and take this information into account when assessing the qualifications of the Board and further enhancing the effectiveness of the Board and its committees over time.

Communication with Directors of the Company

The Board welcomes questions or comments about the Company and its operations. Interested parties who wish to communicate with the Board, including the Lead Director, the independent directors, or any individual director, may contact the Chair of the Governance and Risk Committee at governanceriskchair@anadarko.com or at Anadarko Petroleum Corporation, Attn: Corporate Secretary, 1201 Lake Robbins Drive, The Woodlands, Texas 77380-1046. If requested, any questions or comments will be kept confidential to the extent reasonably possible. Depending on the subject matter, the Chair of the Governance and Risk Committee, with the assistance of the Corporate Secretary, will:

- forward the communication to the director or directors to whom it is addressed;
- refer the inquiry to the General Counsel for referral to the appropriate corporate department if it is a matter that does not appear to require direct attention by the Board or an individual director; or
- not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

These procedures may change from time to time, and you are encouraged to visit our website at http://www.anadarko.com for the most current means of contacting our directors. If you wish to request copies of any of our governance documents, please refer to page 10 of this proxy statement for instructions.

Evaluation of Board and Director Performance

The Corporate Governance Committee annually reviews and evaluates the performance of the Board of Directors, including such criteria as board oversight, leadership and process, composition and independence, conduct of meetings and committees.

The board also conducts an annual peer evaluation by which each director is afforded the opportunity to comment anonymously on the other board members' performance.

Each independent director receives an evaluation survey for each other director	>	Directors forward surveys to an outside law firm that compiles results, maintaining confidentiality	>	The law firm provides compiled results to the Corporate Governance Committee Chair who discusses with the CEO	>	The Corporate Governance Committee Chair and CEO address specific issues directly with individual board members as needed	>	The full board discusses results and identifies areas in which the board can be improved and enhanced to increase board effectiveness

In order to ensure the objectivity and integrity of this process, an outside law firm is engaged every year to conduct the peer review portion of this evaluation and compile the results. The Corporate Governance Committee assesses the board's contribution as a whole and identifies areas in which the board or senior management believes a better contribution may be made. The purpose of the review is to increase the effectiveness of the board, and the results are reviewed with the board and its committees. The results also are considered in connection with board refreshment efforts. In addition, each standing committee, other than the Executive Committee, conducts an annual self-evaluation, in accordance with its charter.

In addition, our board annually reviews the individual performance and qualifications of each director who may wish to be considered for nomination to an additional term. The evaluations are reviewed by the Corporate Governance Committee, which makes recommendations to the board regarding nominees for election as directors.

Risk Oversight

The board, in cooperation with management, has developed an integrated risk management framework to assess, prioritize, manage and monitor risks across the company's operations. Sempra's full board has ultimate responsibility for risk oversight under this framework. Consistent with this approach, our Corporate Governance Guidelines provide that the specific functions of the Board of Directors include assessing and monitoring risks and risk management strategies.

The board believes that risk stretches far beyond any one committee. As a result, the board has diversified its risk oversight responsibilities across its membership, housing categories of risk oversight within board committees by topic. In addition, the board may form special committees to deal with certain risks. Any risk oversight that does not fall within a particular committee remains with the full board. The committee chairs report to the full board regarding their respective committee's risk oversight role during committee reports.

The board reviews and monitors strategic, financial and operating plans that are intended to provide sustainable long-term growth with what it deems to be an acceptable level of risk. Each year, the company identifies its top risks and articulates its plans to address those risks. Each of our business units is responsible for identifying and moderating risk in a manner consistent with these goals. The board fulfills its risk oversight function through receipt of reports provided both directly to the board and to appropriate board committees. Based on these reports, the board or appropriate committees establish or amend existing risk oversight and control mechanisms. In addition, the company has a robust internal audit function that reports directly to the Audit Committee.

The board and its committees mitigate risk through establishing policies that include:

- Leverage limitations.
- Establishing utility investment plans consistent with state policy objectives and seeking regulatory review and approval of significant investments.
- Establishing non-utility investment policies, including requiring substantial third party pre-construction contractual commitments to purchase the capacity or output of major non-utility construction projects, subject to exceptions.
- Setting an employee compensation program that encourages and rewards sustainable growth in our business, but is within an acceptable risk profile.
- Establishing commitment policies which require board review and/or approval above certain dollar thresholds.
- Reviewing performance on key operating measures, such as safety.

BOARD AND COMMITTEE EVALUATIONS

Our Board recognizes that a thorough, constructive evaluation process enhances our Board's effectiveness and is an essential element of good corporate governance. Accordingly, every year, our Nomination and Corporate Governance Committee oversees the evaluation process to ensure that the full Board and each committee conduct an assessment of their performance and functioning and solicit feedback for enhancement and improvement.

Our Board evaluations cover the following topics:

- Board and committee composition, including skills, background and experience
- Review of key areas of focus for the Board and effectiveness in overseeing these responsibilities
- Satisfaction with director performance, including that of Board and committee chairs in those positions
- Board and committee information needs and quality of materials presented
- Areas where the Board and committees should increase their focus
- Satisfaction with the Board schedule, agendas, time allocated for topics and encouragement of open communication and discussion
- Satisfaction with committee structure and consideration as to whether any new committees should be established
- Access to management, experts and internal and external resources

1 Corporate Governance Review

During 2016, our Board Chairman and the Chairperson of our Nomination and Corporate Governance Committee re-examined our evaluation process to ensure that the process allows directors the opportunity to provide actionable feedback on the functioning of the Board as a whole as well as the performance of individual directors.

2 Annual Board and Committee Evaluations

The Board and each committee conduct annual evaluations through the use of a written questionnaire that covers the topics discussed above.

3 Summary of the Written Evaluations

Nielsen's Company Secretary aggregates and summarizes our directors' responses to the questionnaires, highlighting comments and year over year trends. Responses are not attributed to specific Board or committee members to promote candor. Summaries of the written evaluations are shared with Board and committee members to inform their review and discussion.

4 Board and Committee Review

Using the questionnaire and summaries of written evaluations as guides, our Chairman reviews the results of the Board evaluation, and each committee chairperson reviews the results of each committee evaluation. The evaluations and summaries are shared and discussed with the full Board and each committee during executive sessions.

5 Actions

As an outcome of these discussions, the Board Chairman and each committee chairperson suggest changes for areas of improvement. Examples of changes made in response to the evaluation process include:

- Board refreshment, including adding directors with media and technology experience and increasing the Board's diversity;
- Enhancement of the Board's strategic planning process by establishing a separate Board meeting devoted to strategic matters; and
- Increased Board exposure both formally and informally to key executives and possible successor candidates.

BOARD AND COMMITTEE EVALUATIONS

We recognize the critical role that Board and committee evaluations play in ensuring the effective functioning of our Board. It is important to take stock of Board, committee and director performance and to solicit and act upon feedback received from each member of our Board. To this end, under the leadership of our Lead Director, our Governance Committee is responsible for evaluating the performance of our Board annually, and each of our Board's committees also annually conducts a self-evaluation.

2016 Evaluations — A Multi-Step Process

The Governance Committee periodically reviews the format of the Board and Committee evaluation process to ensure that actionable feedback is solicited on the operation of the Board and director performance.

Over the last several years, the Governance Committee has refined the format of the questionnaire and added specific evaluations of the Lead Director, each Committee Chair and each individual director as described below.

QUESTIONNAIRE

Evaluation questionnaire provides director feedback on an unattributed basis

ONE-ON-ONE DISCUSSIONS

Candid, one-on-one discussions between the Lead Director and each non-employee director to solicit additional feedback and provide individual feedback

CLOSED SESSION

Closed session discussion of Board and Committee evaluations led by our Lead Director and independent Committee Chairs

BOARD SUMMARY

Summary of Board and Committee evaluation results provided to full Board

FEEDBACK INCORPORATED

Policies and practices updated as appropriate as a result of director feedback

TOPICS CONSIDERED DURING THE BOARD AND COMMITTEE EVALUATIONS INCLUDE:

DIRECTOR PERFORMANCE

- Individual director performance
- Lead Director (in that role)
- Each Committee Chair (in that role)

BOARD AND COMMITTEE OPERATIONS

- Board and committee membership, including director skills, background, expertise and diversity
- Committee structure, including whether the committee structure enhances Board and committee performance
- Access to firm personnel
- Conduct of meetings, including time allocated for, and encouragement of, candid dialogue
- Materials and information, including quality and quantity of information received from management
- Shareholder feedback

BOARD PERFORMANCE

- Key areas of focus for the Board
- Consideration of reputation
- Strategy oversight
- Consideration of shareholder value
- Capital planning

COMMITTEE PERFORMANCE

- Performance of committee duties under committee charters
- Consideration of reputation
- Effectiveness of outside advisers
- Identification of topics that should receive more attention and discussion

Shareholder Nominations and Recommendations of Director Candidates

We amended our By-laws in March 2015 to permit a group of up to 20 shareholders who have owned at least 3% of our outstanding capital stock for at least three years to submit director nominees for up to 20% of the Board for inclusion in our Proxy Statement if the shareholder(s) and the nominee(s) meet the requirements in our By-laws.

Shareholders who wish to nominate directors for inclusion in our Proxy Statement or directly at an Annual Meeting in accordance with the procedures in our By-laws should follow the instructions under "Submission of Shareholder Proposals and Director Nominations" in this Proxy Statement.

Shareholders who wish to recommend candidates for consideration should send their recommendations to the attention of Margaret M. Foran, Chief Governance Officer, Senior Vice President and Corporate Secretary, at 751 Broad Street, Newark, NJ 07102. The Committee will consider director candidates recommended by shareholders in accordance with the criteria for director selection described under "Director Criteria, Qualifications, Experience and Tenure."

Director Attendance

During 2016, the Board of Directors held 11 meetings. Together, the directors attended 99% of the combined total meetings of the full Board and the committees on which they served in 2016, and no director attended less than 83% of the combined total meetings of the full Board and the committees on which he or she served in 2016.

Director Independence

The current Board consists of 13 directors, two of whom are currently employed by the Company (Messrs. Strangfeld and Grier). The Board conducted an annual review and affirmatively determined that all of the non-employee directors (Mss. Hund-Mejean, Pianalto and Poon, and Messrs. Baltimore, Casellas, Cullen, Krapek, Lighte, Paz, Scovanner and Todman) are "independent" as that term is defined in the listing standards of the NYSE and in Prudential Financial's Corporate Governance Principles and Practices. In addition, the Board previously determined that Mr. Bethune and Ms. Horner, who did not stand for re-election at our 2016 Annual Meeting, were "independent" directors.

Independent Director Meetings

The independent directors generally meet in an executive session at both the beginning and the end of each regularly scheduled Board meeting, with the Lead Independent Director serving as Chair.

COMPREHENSIVE STEPS TO ACHIEVE BOARD EFFECTIVENESS

The Board is committed to a rigorous self-evaluation process. Through evaluation, directors review the Board's performance, including areas where the Board feels it functions effectively, and importantly, areas where the Board believes it can improve.

1. Process is Initiated
Corporate Governance and Business Ethics Committee Chair initiates annual board evaluation process with the help of an independent third party consultant and our chief governance officer.

2. Evaluation
The evaluation solicits each director's opinion regarding the Board's effectiveness in monitoring and reviewing topics such as:

- The strategic planning process
- The annual budget process and financial performance
- Management compensation, performance and ethics
- Risk strategy and management
- Succession planning

3. Feedback Analysis
Directors are encouraged to speak to the independent third party with specific feedback on individual directors, committees or the Board in general. The independent third party synthesizes the results and comments and has oral interviews with directors regarding the full Board or any committee on which the director serves.

4. Presentation of Findings
In early 2017, the Corporate Governance and Business Ethics chair, in conjunction with the third party consultant, presents the findings to each Committee, followed by review of the full Board

5. Follow Up
Results requiring additional consideration are addressed at subsequent board and committee meetings and reported back to full Board, where appropriate.

The Board followed-up on its 2016 self-evaluation by reviewing materials about the competitive and regulatory environment as well as discussing talent at almost every scheduled Board meeting.

For 2017, the Board has asked for more information in the following areas:

- Technology and Future Products
- Product Development
- Management Succession Planning
- Executive Compensation

Identifying Director Candidates

Our Corporate Governance Committee is charged with reviewing the composition of the Board and refreshing the Board as appropriate through the recommendations it makes to the Board. This is an ongoing process through which the Board has added 5 new directors since 2012. These directors have brought to the Board, among other things, deep finance and accounting experience, nuclear expertise and senior leadership experience in companies or industries undergoing transformational change.

The Corporate Governance Committee has not established any minimum qualifications that must be met by director candidates or identified any set of specific qualities or skills that it believes our directors must possess. The Corporate Governance Committee's policy regarding consideration of potential director nominees acknowledges that choosing a Board member involves a number of objective and subjective assessments, many of which are difficult to quantify or categorize. However, the following are certain principles the Corporate Governance Committee follows:

- Seeks to nominate candidates with superior credentials, sound business judgment and the highest ethical character.
- Takes into account the candidate's relevant experience with businesses or other organizations of comparable size to the Company and seeks to identify candidates whose experience will add to the collective experience of the Board.
- Believes the Board should reflect a diversity of backgrounds and experiences in various areas, including age, gender, race, geography and specialized experience, and candidates are assessed to determine the extent to which they would contribute to that diversity.

The Corporate Governance Committee also seeks to confirm that candidates are not disqualified from serving on the Board under applicable legal or regulatory requirements and evaluates each candidate's independence, as that term is defined under applicable legal and regulatory requirements. The Corporate Governance Committee annually evaluates the effectiveness of its policy and procedures for the evaluation of director candidates.

Director Recruitment Process

Candidate Recommendations
From shareholders, management, directors and search firms

↓

Corporate Governance Committee
- Evaluates Board needs and screens and interviews candidates
- Reviews qualifications and expertise, tenure, regulatory requirements and diversity
- Recommends nominees

↓

Board of Directors
Discusses, analyzes independence and selects nominees

↓

Shareholders
Vote on nominees at annual meeting

The Corporate Governance Committee will consider candidates identified by current directors, management, third party search firms engaged by the committee, and shareholders. Shareholders who wish to recommend a candidate to the Corporate Governance Committee or submit nominees for election at an annual or special meeting should follow the procedures described on page 88.

Identifying and Evaluating Director Candidates

Board Composition

The business and affairs of the company are managed under the direction of the Board. Our Board provides active and independent oversight of management. To carry out its responsibilities and set the appropriate tone at the top, our Board is keenly focused on the character, integrity and qualifications of its members, and its leadership structure and composition.

Our Board believes our directors best serve our company and stockholders by possessing high personal integrity and character, demonstrated management and leadership ability, extensive experience within our industry and across sectors, and the ability to exercise their sound and independent judgment in a collegial manner.

Core Director Attributes

- High Personal Integrity
- Strong Business Judgment
- Demonstrated Achievement in Public or Private Sectors
- Proven Leadership and Management Ability
- Dedicated – Able to Devote Necessary Time to Oversight Duties and Represent Stockholders' Interests
- Free of Potential Conflicts of Interests
- Collegial Manner

Our Board seeks directors whose complementary knowledge, experience, and skills provide a broad range of perspectives and leadership expertise in financial services and other highly complex and regulated industries, strategic planning and business development, business operations, marketing and distribution, risk management and financial controls, corporate governance and public policy, and other areas important to our company's strategy and oversight. Our Board also assesses director age and tenure and Board continuity, and strives to achieve a proper balance between the perspectives of new directors and those of longer-serving directors with industry and institutional insights.

Our Board views diversity as a priority and seeks representation across a range of attributes, including race, gender, ethnicity, and professional experience, and regularly assesses our Board's diversity when identifying and evaluating director candidates. In addition, our Corporate Governance Committee follows applicable regulations in confirming that our Board includes members who are independent, possess financial literacy and expertise, and an understanding of risk management principles, policies, and practices, and have experience in identifying, assessing, and managing risk exposures.

Our current Board, comprised of the 14 director nominees, reflects the Board's commitment to identify, evaluate and nominate candidates who possess personal qualities, qualifications, skills, and diversity of backgrounds, and provide a mix of tenure that, when taken together, best serve our company and our stockholders. See "Our Director Nominees" on page 5.

The Director Recruitment Process

Assess
Thoughtful self-assessment process to develop a list of qualifications and skills sought in new directors, guided by Corporate Governance Committee

Identify
Information provided to third-party search firms; potential candidates identified

Evaluate
Corporate Governance Committee reviews available information on prospective nominees, regardless of recommending party

Recommend
Board recommends candidates to stockholders

Succession Planning and the Director Recruitment Process

Our Board regularly reviews and renews its composition. Our Corporate Governance Committee is responsible for identifying and recommending director candidates to our Board for nomination using a director selection process that has been reviewed and acknowledged by our primary bank regulators.

Assess. The Committee regularly reviews our mix of directors on the Board to assess the overall Board composition. Among other factors, the Committee considers our company's strategy and needs; our directors' experiences, gender, race, ethnicity, tenure and age; and the attributes our Board identifies annually in its self-assessments to develop criteria for potential candidates and evaluate whether their attributes and qualifications are additive to our overall Board composition.

Identify. To drive effective Board renewal and Board leadership succession planning, the Committee has developed and regularly reviews a "pipeline" of potential director talent. Based on the factors and criteria developed in the assessment phase, the Committee requests the third-party search firms to identify potential candidates for review. The Committee considers and provides feedback on the then-current pool of director talent identified by search firms; the pipeline is periodically updated by the search firms and further shaped by Committee and Board review.

In 2016, the Committee continued to develop the director candidate pipeline using two external search firms. The candidates in the pipeline possess professional experiences and the gender, racial, and ethnic diversity aligned with the Committee-specified criteria and with the qualities identified by our Board in its 2015 and 2016 annual self-assessments.

Corporate Governance

The Company is committed to good corporate governance, which helps us compete more effectively, sustain our success and build long-term shareholder value. The Company is governed by a Board of Directors and committees of the Board that meet throughout the year. Directors discharge their responsibilities at Board and committee meetings and also through other communications with management.

The Board has adopted Corporate Governance Principles and Practices to provide a framework for the effective governance of the Company. The Corporate Governance Principles and Practices are reviewed regularly and updated as appropriate. The full text of the Corporate Governance Principles and Practices, which includes the definition of independence adopted by the Board, the charters of the Corporate Governance and Business Ethics, Compensation and Audit Committees, the Lead Independent Director Charter, the Code of Business Conduct and Ethics and the Related Party Transaction Approval Policy can be found at www.prudential.com/governance. Copies of these documents also may be obtained from the Chief Governance Officer and Corporate Secretary.

Governance is a continuing focus at the Company, starting with the Board and extending to management and all employees. Therefore, the Board reviews the Company's policies and business strategies and advises and counsels the CEO and the other executive officers who manage the Company's businesses, including reviewing, on at least an annual basis, the Company's strategic plans.

In addition, we solicit feedback from shareholders on governance and executive compensation practices and engage in discussions with various groups and individuals on governance issues and improvements.

Process for Selecting Directors

The Corporate Governance and Business Ethics Committee screens and recommends candidates for nomination by the full Board. The Company's By-laws provide that the size of the Board may range from 10 to 24 members. The Board's current view is that the optimal size is between 10 and 15 members. The Committee is assisted with its recruitment efforts by an independent third party search firm, which recommends candidates that satisfy the Board's criteria. The search firm also provides research and pertinent information regarding candidates, as requested.

Beyond the boardroom

Engagement outside of Board meetings provides our Directors with additional insight into our business and our industry, and gives them valuable perspective on the performance of our Company, the Board, our CEO and other members of senior management, and on the Company's strategic direction.

- Our individual Directors have discussions with each other and with our CEO, and have informal individual and small group meetings with high potential members of our senior management team in order to gain insight into the Company's management development program and succession pipeline.
- Our Committee Chairs and Lead Director meet and speak regularly with each other and with members of our management in connection with planning for meetings.
- Our Directors regularly attend "deep dives" on current topics of interest and technology training as part of their ongoing Director education program.
- Our Directors receive weekly updates on recent developments, press coverage and current events that relate to our business.
- Several Board members attended the 2016 Mobile World Congress in Barcelona, Spain, where they learned about the contemporary and future mobile industry, the latest technology trends affecting Verizon's business, and developments among Verizon's business partners, industry peers and competitors.
- Several Board members attended the 2016 Consumer Electronics Show in Las Vegas, Nevada, where they learned about trends and innovations in the business of consumer technologies and gained insights into where Verizon's business is headed.

Annual Board and committee evaluations

Our Board conducts an annual self-assessment aimed at enhancing its effectiveness. As part of the assessment, each Director completes a written questionnaire that is designed to gather suggestions for improving Board effectiveness and to solicit feedback on a range of issues, including Board operations, Board and committee structure and dynamics, the flow of information from management, and agenda topics. In addition, the Lead Director conducts individual interviews with each of the independent Directors to discuss these topics. The feedback received from the questionnaires and interviews is discussed during an evaluation session.

Each of the four standing committees also conducts its own annual self-assessment, which includes a written questionnaire and evaluation session. Evaluation sessions are led by the committee chairs and generally include a review of the committee charter, the annual agenda, and the committee's overall effectiveness.

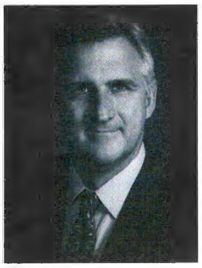
In addition to these annual self-assessments, the Board evaluates and modifies its oversight of Verizon's operations on an ongoing basis. During their executive sessions, the independent Directors consider agenda topics that they believe deserve additional focus and raise new topics to be addressed in future meetings.

The Corporate Governance and Policy Committee annually appraises the framework for our Board and committee evaluation processes.

Director Nominees

For information on the factors the Board considers when evaluating candidates for nomination, see "Board Composition" on page 12. Mr. Bradway, who joined the Board within the last year, was referred to the Governance, Organization and Nominating, or GON, Committee by a third-party search firm. Set forth below are the ages, principal occupations, directorships within the past five years, and other details about each nominee.

ROBERT A. BRADWAY



Chairman & CEO, Amgen Inc.

Boeing director since: 2016

Professional highlights:

- Chairman & CEO, Amgen Inc. (Chairman 2013-present; CEO 2012-present)
- President & COO, Amgen Inc. (2010-2012)
- Executive VP & CFO, Amgen Inc. (2007-2010)

Independent: Yes

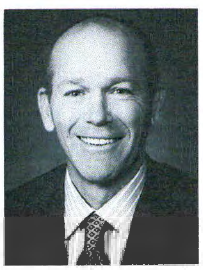
Age: 54

Other current directorships:

- Amgen Inc.
- Norfolk Southern Corporation

Mr. Bradway brings to the Board critical skills in the areas of high technology, product development, financial oversight, and risk management. His experience as a senior executive in the biotechnology industry, including as Chief Executive Officer, Chief Operating Officer and Chief Financial Officer of Amgen, provide him with an extensive understanding of the strategic considerations and challenges associated with a complex, highly regulated industry. In recognition of Mr. Bradway's experience in corporate finance, risk management, and executive leadership, as well as his service on Norfolk Southern's audit committee, the Board elected him to serve on our Audit and Finance committees.

DAVID L. CALHOUN



Senior Managing Director & Head of Private Equity Portfolio Operations, The Blackstone Group

Boeing director since: 2009

Professional highlights:

- Senior Managing Director & Head of Private Equity Portfolio Operations, The Blackstone Group (2014-present)
- Chairman & CEO, Nielsen Holdings plc. (Chairman 2014-2016; CEO 2010-2014)
- Chairman & CEO, The Nielsen Company B.V. (2006-2014)
- Vice Chairman, General Electric Company, & President and CEO, GE Infrastructure (2005-2006)

Independent: Yes

Age: 59

Other current directorships:

- Caterpillar Inc.
- Nielsen Holdings plc.

Prior directorships:

- Medtronic, Inc.

Mr. Calhoun provides valuable insight and perspective on a wide array of strategic and business matters, stemming from his vast executive, management, and operational experience at Blackstone, Nielsen and GE. Mr. Calhoun also has significant global aerospace, aircraft, manufacturing, and high-technology industry expertise as evidenced by his leadership of GE's aircraft engines and transportation businesses, as well as his tenure on Caterpillar's board. Mr. Calhoun's executive leadership and experience in corporate governance matters at Nielsen and his service on Caterpillar's compensation committee enable him to serve a crucial role on our Governance, Organization and Nominating and Compensation Committees.

Director Biographies

✓ ***The Board recommends you vote FOR each of the following candidates:***

Randall L. Stephenson

Age 56 **Director since** 2005

Mr. Stephenson is Chairman of the Board, Chief Executive Officer, and President of AT&T Inc. and has served in this capacity since 2007. He has held a variety of high-level finance, operational, and marketing positions with AT&T, including serving as Chief Operating Officer from 2004 until his appointment as Chief Executive Officer in 2007 and as Chief Financial Officer from 2001 to 2004. He began his career with the Company in 1982. Mr. Stephenson received his B.S. in accounting from Central State University (now known as the University of Central Oklahoma) and earned his Master of Accountancy degree from the University of Oklahoma.

AT&T Board Committees
Executive (Chair)

Other Public Company Directorships
The Boeing Company; Emerson Electric Co.

Qualifications, Attributes, Skills, and Experience

Mr. Stephenson's qualifications to serve on the Board include his more than 30 years of experience in the telecommunications industry, his intimate knowledge of our Company and its history, his expertise in finance and operations management, and his years of executive leadership experience across various divisions of our organization, including serving as Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Senior Vice President of Finance, and Senior Vice President of Consumer Marketing.

- **Senior Leadership/Chief Executive Officer Experience**
- **Extensive Knowledge of the Company's Business and/or Industry**
- **High Level of Financial Experience**
- **Public Company Board Service and Governance Experience**

Cheryl W. Grisé
age 64, Former Executive Vice President, Northeast Utilities

Current Lead Director
Director since 2004

Ms. Grisé's experience as the chief executive officer of a major enterprise subject to complex regulations has provided her with a substantive understanding of the challenges of managing a highly regulated company such as MetLife. With her executive experience and her experience as a general counsel and corporate secretary, Ms. Grisé brings a unique perspective on the Board's responsibility for overseeing the management of a regulated enterprise and with respect to the effective functioning of the Company's corporate governance structures. Consistent with the Company's commitment to Board leadership refreshment, she will be succeeded by Dr. Hubbard as the Lead Director effective June 13, 2017, provided that he is re-elected at the Annual Meeting.

Professional Highlights:

- Northeast Utilities, a public utility holding company engaged in the distribution of electricity and natural gas (1980 – 2007)
  - Executive Vice President (December 2005 – July 2007)
  - Chief Executive Officer of principal operating subsidiaries (September 2002 – January 2007)
  - President, Utility Group, Northeast Utilities Service Company (May 2001 – January 2007)
  - President, Utility Group (May 2001 – December 2005)
  - Senior Vice President, Secretary and General Counsel (1998 – 2001)

Other Professional and Leadership Experience:

- Trustee Emeritus, University of Connecticut Foundation
- Senior Fellow, American Leadership Forum
- **Other public company directorships:** PulteGroup, Inc.; ICF International
- **Prior public company directorships (past five years):** Pall Corporation

Education:

- B.A., University of North Carolina at Chapel Hill
- J.D., Thomas Jefferson School of Law
- Executive Management Program, Yale University School of Organization and Management

OUR BOARD'S COMMITMENT TO SHAREHOLDER ENGAGEMENT

Why We Engage

Our Board and management team recognize the benefits of regular engagement with our shareholders in order to remain attuned to their different perspectives on the matters affecting Nielsen.

Robust dialogue and engagement efforts allow our Board and management the opportunity to:

- consider the viewpoints of our shareholders in connection with their oversight of management and the Company;
- discuss developments in our business and provide transparency and insight about our strategy and performance; and
- assess issues that may affect our business, corporate responsibility and governance practices.

How We Engage

Investor Relations and Senior Management

- We provide institutional investors and equity analysts with opportunities and events to engage with and provide feedback to our Board and senior management.
- Our senior management participates in formal industry conferences, one-on-one investor meetings, and non-deal roadshows.
- To learn more about our engagement with institutional investors, please visit our investor relations website at *ir.nielsen.com*.

Board Involvement

- Over the last few years, our Board Chairman and the Chair of our Compensation Committee have participated in joint investor relations and governance engagements with several of our largest shareholders.
- As a result of this outreach, we deliver our shareholders' views and specific feedback to the Board and senior management.

Shareholder Engagement

- Between March 2016 and March 2017 we engaged with investors representing nearly 70% of our shareholder base.

Outcomes from Investor Feedback

Some tangible examples of the results of our shareholder outreach activities include:

- Increased our financial disclosures to help investors better understand our business.
- Included a broader array of senior management and members of our Board in our engagement efforts.
- Enhanced our proxy statement disclosures to provide more detail about the assessments that factor into pay decisions for our Named Executive Officers.
- Imposed a cap on payouts under our Long-Term Performance Plan ("LTPP") if the Company's total shareholder return is negative over the applicable performance period.

Corporate Citizenship. In addition to these activities, Nasdaq reinforced its corporate citizenship throughout 2016. By leveraging the Nasdaq MarketSite Opening and Closing Bell platform to publicize dozens of charitable causes and non-profit institutions—at no cost—Nasdaq enhanced media exposure and public awareness of certain issues, including STEM education, gender equality, health and fitness, disease prevention and literacy.

Focus on Entrepreneurship. The Nasdaq Entrepreneurial Center is a San Francisco-based non-profit organization whose mission is to educate, innovate, and connect aspiring and current entrepreneurs. Since launching in September 2015, the Nasdaq Entrepreneurial Center has developed 185 original programs that have benefitted 5,000 entrepreneurs across the globe. In keeping with a commitment to advancing inclusivity, the Center is proud that 49% of its entrepreneurs are women. To achieve these milestones, the Center has partnered with universities and thought leaders around the world, including Wilson Sonsini Goodrich & Rosati, KPMG, Lehigh University and The University of Melbourne. In addition to its own entrepreneurial education and original research, the Center supports a wide variety of like-minded organizations, including non-profits, accelerators, investors, universities and government agencies, with curriculum and joint programming to serve local and international audiences.

The Center was established with the support of the Nasdaq Educational Foundation, a non-profit organization whose mission is to connect the business, capital and innovative ideas that advance global economies. In 2016, the Nasdaq Educational Foundation also supported academic programs on entrepreneurship at Columbia University, Fordham University and the Massachusetts Institute of Technology.

Stockholder Outreach

Nasdaq believes that strong corporate governance should include regular, constructive year-round engagement. We actively engage with our stockholders as part of our annual corporate governance cycle as described below.

Spring	Summer	Fall	Winter
• Active outreach with institutional holders to discuss important governance items to be considered at Annual Meeting • Publish annual communications to stockholders: annual report, proxy statement and 10-K • Conduct Annual Meeting	• Post Annual Meeting results on Nasdaq website • Review results and feedback from Annual Meeting with institutional holders • Share investor feedback with the entire Board • Active outreach with institutional holders to discuss vote and follow up issues	• Conduct annual Board assessment of governance, including feedback of stockholders • Active outreach with institutional holders to identify focus and priorities for the coming year	• Active outreach with institutional holders to understand their priorities in the areas of corporate governance, executive compensation, environmental sustainability and other disclosures • Share investor feedback with the entire Board • Review governance best practices and trends, regulatory developments and our governance framework

Stockholder Communication with Directors

Stockholders and other interested parties are invited to contact the Board by writing us at: **AskBoard@nasdaq.com** or Nasdaq Board of Directors, c/o Joan C. Conley, SVP and Corporate Secretary, 805 King Farm Boulevard, Rockville, Maryland 20850.

SAY ON PAY

Our 2016 advisory vote to approve NEO compensation received the support of approximately 66% of our shareholders, and our Compensation Committee viewed this outcome as an indication that further engagement was needed. At the Committee's request, we engaged in extensive shareholder outreach during the fall of 2016, meeting with shareholders representing approximately 40% of our shares outstanding, as well as other constituents, to discuss feedback on our executive compensation program.

2016 ANNUAL MEETING OUTREACH AND SAY ON PAY VOTE | **TARGETED SHAREHOLDER OUTREACH** | **COMPENSATION COMMITTEE ASSESSMENT** | **COMPENSATION COMMITTEE ACTIONS**

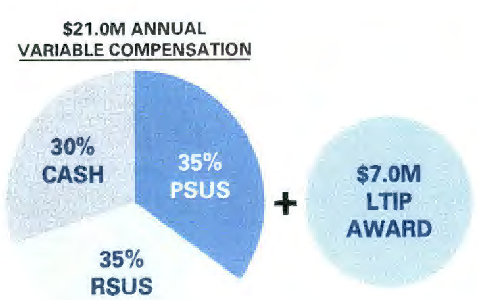
- **Our Compensation Committee Responded.** Taking into account this feedback, our Compensation Committee reevaluated the firm's senior executive compensation program and made several changes to streamline its structure. For more information, please see page 34.

STAKEHOLDER FEEDBACK	OUR COMPENSATION COMMITTEE'S RESPONSE
■ Overly complex compensation program for senior executives (e.g., grant of LTIP awards in addition to annual compensation program, complexity in LTIP calculation mechanics, overlapping performance thresholds for LTIP and PSU awards) ■ Metrics for performance-based pay measured only on absolute basis; no incentive tied to performance relative to peers ■ Desire for a higher proportion of performance-based compensation	✓ Compensation structure **streamlined**; overlapping performance metrics eliminated ✓ LTIP grants **discontinued** ✓ PSUs **redesigned** to add **relative ROE component** that more closely ties compensation to performance relative to peers over a three-year performance period using **as reported financial results** ✓ For CEO and CFO, equity-based annual compensation paid **entirely in PSUs**, resulting in **significant increase** in percentage of variable compensation tied to ongoing performance metrics ✓ **80%** of CEO's 2016 annual variable compensation tied to ongoing performance metrics (compared to 35% for 2015)

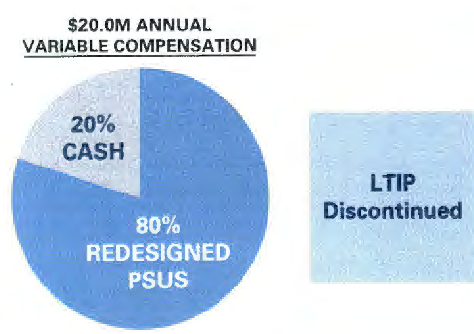
CEO Year-End Compensation Decisions: 2015 vs. 2016

- Of particular note, our Compensation Committee streamlined our CEO's compensation structure to eliminate overlapping performance metrics, with all long-term performance-based pay now awarded in PSUs:

2015



2016



You can view our Corporate Governance and Nominating Committee Charter on the corporate governance section of our investor relations website at https://investors.ebayinc.com/corporate-governance.cfm.

Stockholder Rights

Our Board is committed to good corporate governance and believes in maintaining policies and practices that serve the interests of all stockholders, including governance provisions that protect and empower stockholders, including:

- Special Meeting – Stockholders representing 25% or more of eBay common stock can call a special stockholders meeting.
- Annual Election of Board of Directors – All directors are elected annually by the stockholders, and stockholders can remove directors with or without cause.
- Majority Voting for Election of Board of Directors – We have adopted a majority voting standard for the election of directors in uncontested elections.
- Proxy Access for Director Nominations – We have adopted a proxy access bylaw provision that allows an eligible stockholder or group of stockholders to nominate candidates for election to the Board that are included in our proxy statement and ballot.
- Majority Voting for Charter and Bylaw Amendments – Our charter and bylaw provisions do not have supermajority voting provisions. Stockholders can approve binding charter and bylaw amendments with a majority vote.
- No Stockholder Rights Plan – We do not have a stockholder rights plan (also known as a "poison pill").
- Independent Board Leadership – We have separated the roles of Chairman of the Board and CEO. The Chairman of the Board is an independent director – as are all of the chairs of the committees of the Board.
- Stockholder Engagement – Stockholders can communicate directly with the Board and/or individual directors. (See "Contacting the Board or Individual Directors" below.) In addition, management and members of the Board regularly engage with stockholders to solicit their views on important issues such as corporate governance and executive compensation.

Stockholder Engagement on Corporate Governance and Our Executive Compensation Program

We have a practice of regularly engaging with stockholders to seek their feedback on our corporate governance practices and our executive compensation program. After we file our proxy statement, we engage with our largest stockholders about important topics to be addressed at our annual meeting. In the fall, we conduct an additional cycle of stockholder engagement where we focus on our corporate governance practices and executive compensation program, as well as anything else resulting from matters voted on at our annual meeting. Following each round of stockholder engagement, we provide an overview of the discussions and feedback to the applicable Committees, which is also discussed with the Board.

Stockholder engagement:

- Frequent engagement with stockholders on a broad range of topics
- Offered over 35 meetings with stockholders representing ~48% of common stock outstanding throughout the year
- Met with stockholders representing ~32% of common stock outstanding

2016 discussion topics included:

- Say-on-pay
- Short-term and long-term incentive program design and performance metrics
- Gender pay equity
- Board and governance matters
- Cybersecurity
- Environmental, Social and Governance ("ESG") matters

BOARD OF DIRECTORS

2016 Say On Pay Vote Outcome and Shareholder Engagement

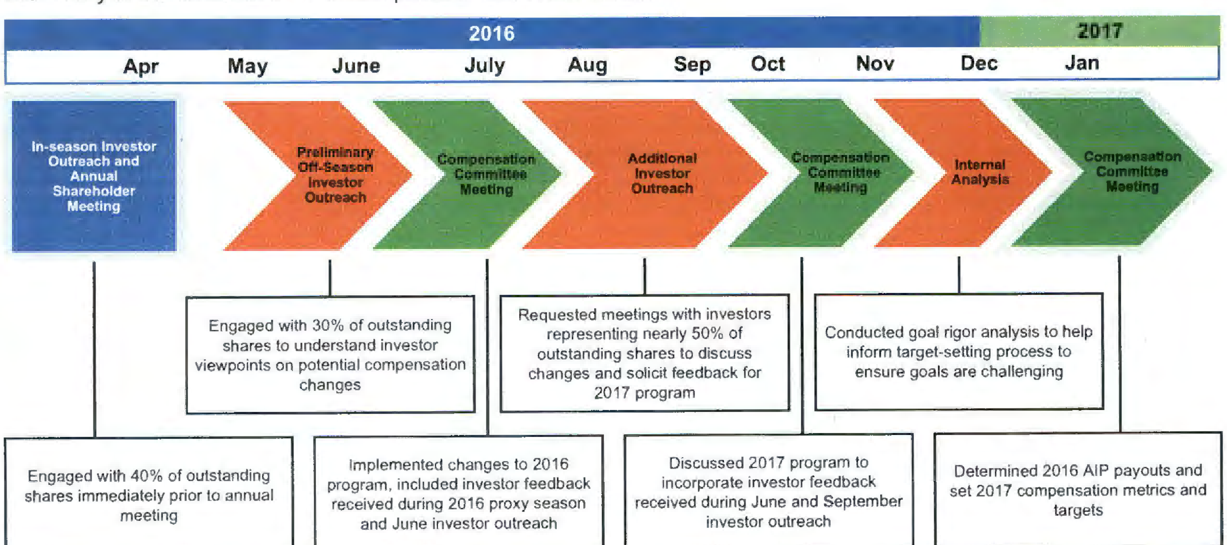
The committee regularly reviews executive compensation. However, in response to the company's 2016 advisory vote on executive compensation, which received only 38% support from shareholders, the compensation committee and management undertook an enhanced engagement program to solicit feedback from shareholders. As part of this process, Exelon contacted nearly 50% of our shareholder base and met with shareholders accounting for approximately 45% of Exelon's shares outstanding.

Mr. Yves de Balmann, the new chairman of the compensation committee as of April 2016, led meetings and calls with shareholders accounting for approximately 45% of Exelon's shares outstanding. The compensation committee considered the shareholder feedback from these engagement meetings and implemented a number of changes that were responsive to this feedback.

The breadth of the company's outreach program enabled the compensation committee to speak with and consider feedback from a significant cross-section of Exelon's shareholder base. Exelon's engagement team met with governance professionals and portfolio managers from active funds as well as governance professionals from index funds, ranging from shareholders with positions as large as 7.6% of Exelon's shares outstanding to those who own less than 1%.

The compensation committee took the opportunity to modify the compensation program at its July meeting in order to respond to the say-on-pay vote and implemented shareholder feedback immediately, including retroactively modifying the 2016 program in line with this feedback.

A summary of the shareholder outreach process is set forth below:



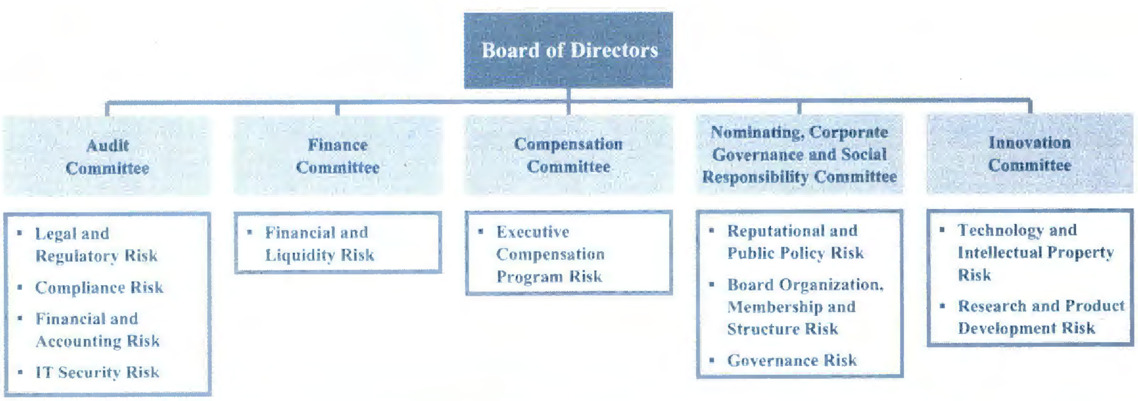
Following the say-on-pay vote at our 2016 annual meeting, we engaged with our investors to ensure that changes to our compensation program incorporated shareholder feedback

A summary of the key feedback that we received from shareholders and our responses to that feedback is outlined in the tables below. The refinements made to the compensation program are broadly designed to:

- Drive even closer alignment between executive compensation and company performance

Our Board, directly or through its Committees, also oversees management of the following risk areas:

- *Legal and Regulatory Risk*: Our Board, both directly and through the Audit Committee, receives regular updates on various legal and regulatory matters, including developments in litigation and developments related to U.S. Food and Drug Administration ("FDA") regulation of certain of our subsidiaries, thereby reviewing our management of legal and regulatory risk. In addition, reports to the Audit Committee at each of its meetings by our Chief Compliance Officer and Corporate Audit personnel provide insight into our risk assessment and risk management policies and processes.
- *Financial and Accounting Risk*: The Finance and Audit Committees oversee our management of financial, accounting, internal controls and liquidity risks through interaction at each meeting with the Chief Financial Officer, management from our financial, accounting, auditing and treasury functions (as appropriate) and, for the Audit Committee, representatives from our independent registered public accounting firm.
- *Reputational and Governance Risk:* Through its interaction with business functions responsible for our public policy and societal alignment activities and strategies, the Nominating, Corporate Governance and Social Responsibility Committee oversees the ways in which we manage reputational and public policy risk. The Nominating, Corporate Governance and Social Responsibility Committee also oversees risks related to Board organization, membership and structure and other corporate governance matters.
- *Executive Compensation Program Risk*: The Compensation Committee considers the extent to which the executive compensation program may create risk for us (see page 35 for a more detailed description).
- *Technology, Intellectual Property and Research and Product Development Risk*: The Innovation Committee oversees our management of the risks associated with technology, research and product development, including intellectual property.
- *IT Security Risk*: The Audit Committee oversees our IT security program and management of the associated risks.



- Our Board and each Committee oversee various aspects of operational risk.
- Management reports annually to our Board on the enterprise risk management process.

Directors

Process for Nominating Directors

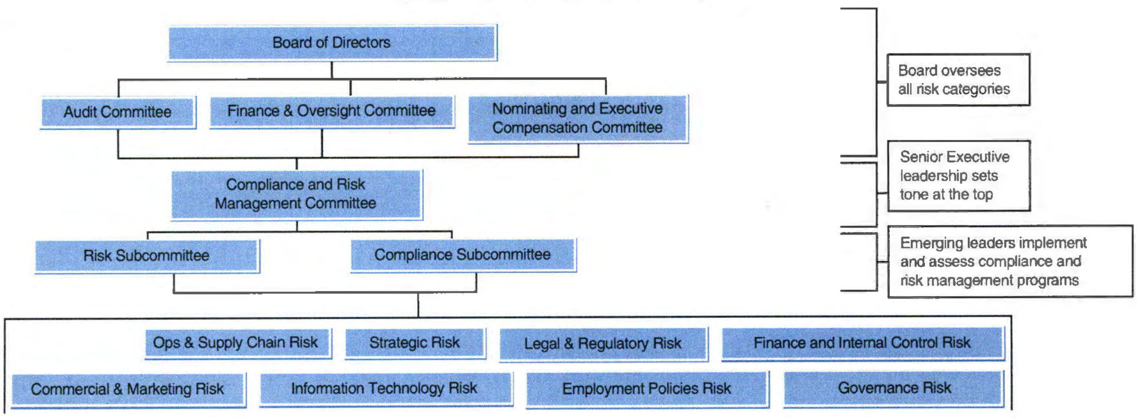
The Nominating, Corporate Governance and Social Responsibility Committee is responsible for identifying and evaluating nominees for director and for recommending to our Board a slate of nominees for election at the annual meeting of shareholders.

In identifying potential candidates for Board membership, the Committee relies on suggestions and recommendations from directors, shareholders, management and others, including from time to time executive search and board advisory firms. The

Executive Compensation," the committee also employs an independent compensation consultant who advises and consults with the committee to determine both the structure and amounts of executive compensation. For further information, please see "*Executive Compensation—Compensation Policies and Practices as They Relate to Risk Management*" below.

Risk Management

Spotlight—Risk Oversight and Risk Management



Although we have devoted significant resources to develop our risk management policies and procedures, these policies and procedures, as well as our risk management techniques, may not be fully effective. In addition, there may be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated. In either case, we could suffer losses and our results and financial position could be materially adversely affected. For a more detailed description of material risks to our results of operations or financial position, you should review the sections entitled "Risk Factors" in our Annual Report on Form 10-K for fiscal 2016, as updated from time to time in the Company's public filings.

Codes of Conduct

Our Code of Conduct is designed to provide guidance on and articulate our commitment to several key matters such as safety and health, protecting the environment, use of Company resources, and promoting a harassment-free work environment. It also addresses the legal and ethical facets of integrity in business dealings with suppliers, customers, investors and governments. We assess global compliance with this policy annually.

Our Supplier Code of Conduct sets forth our Company's basic expectations for environmental, labor, supplier working conditions and ethical practices that suppliers are expected to meet in order to do business with our Company. We believe we hold our suppliers to a high standard and use a risk-based approach to audit suppliers for ongoing compliance.

Compensation Committee Interlocks and Insider Participation

No member of the Nominating and Executive Compensation Committee is or has been an officer or employee of the Company or any of its subsidiaries. In addition, no member of the committee had any relationships with the Company or any other entity that require disclosure under the proxy rules and regulations promulgated by the SEC.

Determining Executive Compensation

The Nominating and Executive Compensation Committee reviews and approves compensation for our executive officers at the beginning of each fiscal year, including any merit increases to base salary, our annual cash bonus program,

RISK OVERSIGHT

The Board is responsible for overseeing Nielsen's risk and enterprise risk management practices and seeks to foster a risk-aware culture while encouraging appropriate and balanced risk-taking in pursuit of Company objectives. The Board exercises its oversight both directly and through its three committees, each of which has been delegated oversight responsibilities for specific risks. Each committee keeps the Board informed of its oversight efforts through regular reporting to the full Board by the committee chairs.

Management is accountable for day-to-day risk management efforts. The Board and committees' risk oversight and management's ownership of risk are foundational components of our Enterprise Risk Management program. This program is designed to provide comprehensive, integrated oversight and management of risk and to facilitate transparent identification and reporting of key business issues to senior management and the Board and its committees. The following are the key risk oversight and management responsibilities of our Board, committees and management:

Board of Directors

Oversees Major Risks

- Strategic and competitive
- Financial
- Brand and reputational
- Legal and regulatory
- Operational
- Cybersecurity
- CEO Succession Planning

Audit Committee

Primary Risk Oversight

- Financial statement integrity and reporting
- Information security, technology and privacy & data protection
- Legal, regulatory and compliance
- Internal controls

Compensation Committee

Primary Risk Oversight

- Executive compensation policies and practices
- Non-executive director compensation policies and practices
- Succession planning

Nomination and Corporate Governance Committee

Primary Risk Oversight

- Governance structure and processes
- Legal and policy matters
- Shareholder concerns, including corporate citizenship and sustainability

Management

Key Risk Responsibilities

- Business units identify and manage business risks
- Central functions design risk framework, including setting boundaries and monitoring risk appetite
- Internal audit provides independent assurance on design and effectiveness of internal controls and governance processes

Director Business and Region Visits

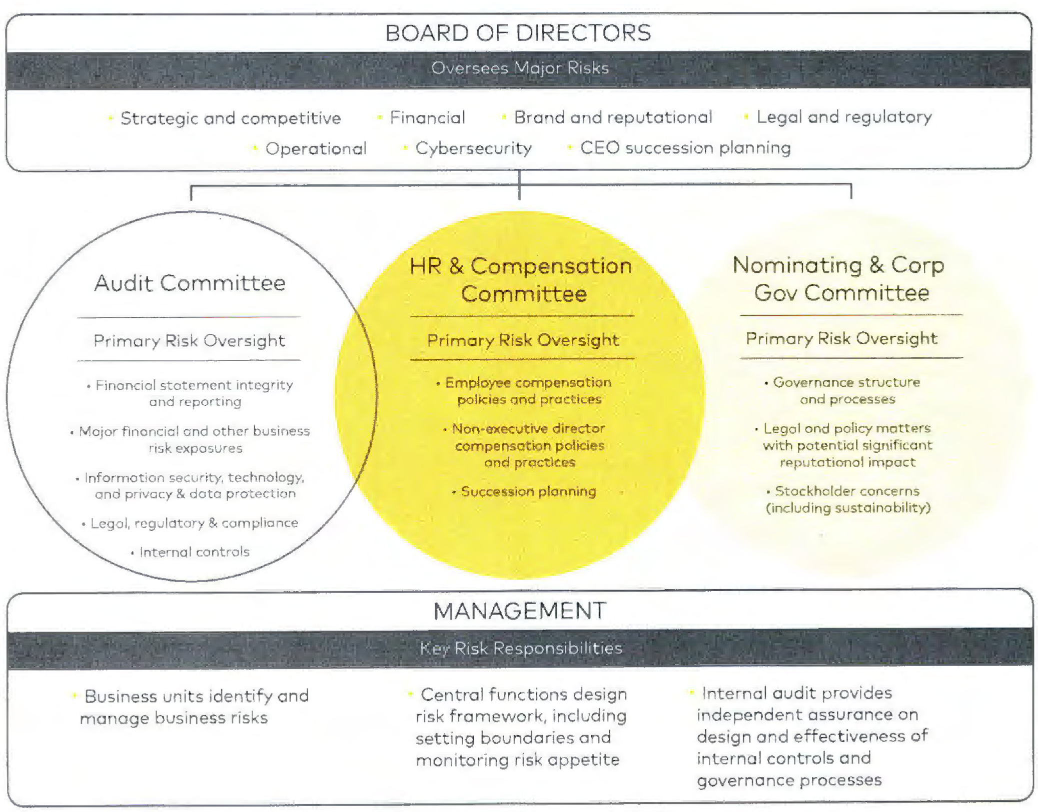
Our Board members meet periodically with senior managers throughout our global business. The Board holds meetings at our headquarters, as well as at various locations around the world. This provides directors with the opportunity to meet with stakeholders such as policymakers, government and business leaders, and customers that are strategically important to our business. By meeting with stakeholders and managers globally, the directors gain a firsthand understanding of the issues and challenges we face in each region and how they tie into our strategic goals.

Board Risk Oversight

Our Board is responsible for establishing Mastercard's risk appetite and overseeing its risk management framework, as well as its risk assessment and management processes. The Board recognizes the importance of effective risk oversight to the success of our business and to the fulfillment of its fiduciary duties to the company and our stockholders. It believes taking risks is a critical component of innovation and effective leadership. At the same time, it also recognizes that incautiously accepting risk or failing to appropriately identify and mitigate risks could negatively impact our business and stockholder value. The Board therefore seeks to foster a risk-aware culture while encouraging thoughtful risk taking in pursuit of the company's objectives.

The Board exercises this oversight both directly and indirectly through its three standing committees, each of which is delegated responsibility for specific risks and keeps the Board informed of its oversight efforts through regular reports by each committee chairman. Management is accountable for day-to-day risk management efforts, including the creation of appropriate risk management programs and policies.

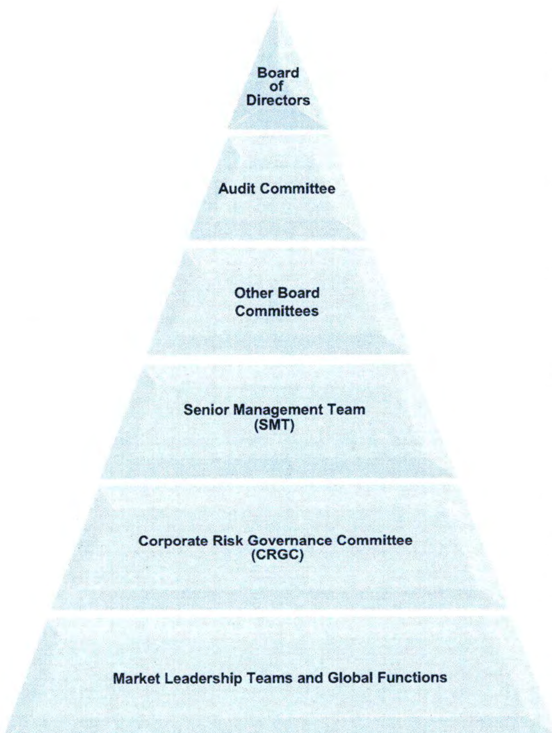
The Board and committees' risk oversight and management's ownership of risk are foundational components of our Enterprise Risk Management program, which is designed to provide comprehensive, integrated oversight and balanced management of risk, as well as to facilitate transparent identification and reporting of key business issues to senior management, appropriate Board committees and the Board as a whole.



Board Risk Oversight

Risk oversight is conducted both by the Committees of the Board with respect to their areas of responsibility as well as by the full Board. During 2015, management conducted a reassessment of strategic enterprise risk. As part of this reassessment, the senior management team identified and prioritized key business risks based on four risk dimensions: the **impact** a risk could have on the organization if it occurs, the **likelihood** a risk will occur, the **velocity** with which a risk would affect the organization if it occurs, and the **interconnectivity** of a risk with other risks. As part of the risk management process, the Company established a Corporate Risk Governance Committee (CRGC) comprising the CFO, the Vice President and Controller, the Vice President, Corporate Audit, the Vice President and Chief Compliance Officer and the Vice President, Treasury and Corporate Finance. Ownership of each of the prioritized risks was assigned to a member of senior management, and oversight of the management of each risk was assigned to a particular Board Committee or to the full Board. Management reports on these risks to the appropriate Committee and to the full Board throughout the year. The risk management oversight by each Committee is indicated in the chart on pages 12 and 13. The full Board oversees the management of risks relating to the Company's business plan and litigation, and it receives reports on risk management by each Committee. The roles of the various components of risk assessment, management and oversight are shown below.

PMI Risk Assessment, Management and Oversight



- Responsible for oversight of risk management processes
- Allocates oversight of management of specific risks to the appropriate Board Committee

- Provides oversight by reviewing CRGC process and results
- Assesses risk appetite

- Provide oversight of management of specific risks falling within each Committee's sphere of expertise

- Aligns on key strategic enterprise risks annually
- Assigns ownership of strategic enterprise risks to individual SMT members
- Integrates risk assessment and management into long-range plan and budget review process

- Drives desired risk management culture through standard measurement and terminology
- Coordinates SMT strategic enterprise risk assessment
- Coordinates integrated risk assessment for Internal Controls, Compliance, Corporate Audit and other functions
- Integrates key risks into Internal Controls Chart of Controls process

- Owns risk assessment and management for affiliate or function
- Drives sustainability through integration of risk management into existing business processes

Employee Handbook and Code of Conduct, or, in the case of Southern, the Employee Handbook, addresses such topics as compliance with laws, moral and ethical conduct, equal employment opportunity, promoting a work environment free from harassment or discrimination, and the protection of intellectual property and proprietary information, among other things. In 2015, we completed a year-long review of our Employee Handbook and Code of Conduct to remain compliant with applicable law and consistent with best practices. We also implemented and distributed an updated Employee Handbook and Code of Conduct to employees worldwide in 2015.

Environmental, Social and Governance Issues

As a leading global provider of outsourced and aviation operating services, we encounter and manage a broad range of environmental, social and governance ("ESG") issues. We have identified the following ESG issues, by category, as among the most relevant to our business and of highest interest to our key stakeholders:

Environmental:

- Our current fleet consists primarily of 747-8F, 747-400F and 777 aircraft, modern assets which we believe are superior in terms of fuel efficiency, range, capacity and loading capabilities
- The -8Fs are about 15% more fuel efficient than our 400s, which translates into approximately 15% lower carbon dioxide emissions
- The -8Fs are also approximately 30% less noisy than the 400 series
- We conserve fuel wherever possible through our FuelWise fuel management information system, which uses our existing data to analyze fuel consumption performance, enabling us to track fuel burn rates more accurately and efficiently and to identify additional opportunities to conserve fuel
- We work with our customers to plan routes that are more fuel efficient
- We participate in industry and governmental initiatives to optimize air traffic management systems, where advances could result in substantial reductions in fuel use and emissions and fewer interruptions at airports
- Our record on the ground is also very strong, with no significant spills of fuel, de-icing fluids or other liquids

Social

- We are an Equal Opportunity Employer
- We have affirmative action plans in place to ensure that qualified applicants and employees are receiving an equal opportunity for recruitment, selection, advancement and every other term and privilege associated with employment with AAWW
- We seek to attract talented individuals as employees and to develop them to their fullest potential
- We also seek to offer our employees highly competitive compensation and benefit packages to retain them for the long-term
- The health and safety of our employees, particularly our crewmembers, is paramount, and our health and safety track record reflects this commitment
- Our crewmembers are represented by the International Brotherhood of Teamsters, and we consider our relationship with the Teamsters to be good
- We encourage diversity and inclusiveness in our workforce
- We have policies in place prohibiting human trafficking
- We have provided cost-free charter flights for disaster relief and have encouraged our employees to support disaster relief and related activities

- We sponsor fundraising efforts and employee volunteer events for nonprofit organizations such as Junior Achievement and the American Red Cross, including Company matches of employee donations

Governance

- We are firmly committed to maintaining a strong corporate governance program, which reflects best practices
- We endorse the concept of Board and Committee refreshment, which has resulted in the election of three new Board members over the last two years and the rotation of the Chairman of the Board and the Chairs of the Audit Committee and Compensation Committee over the last three years. We expect to rotate the Chair of the Nominating and Governance Committee at the organizational meeting of the Board immediately following the Annual Meeting.
- We require our employees to act responsibly in full compliance with all applicable laws and standards and to maintain the highest level of ethical conduct in their dealings with customers, suppliers and other stakeholders
- We provide recurrent training to our employees that supports their ability to act responsibly in full compliance with all applicable laws and standards
- We are committed to maintaining a strong control environment and to making effective controls an integral part of our routine business practices and having effective checks and balances in place so that we can address many issues before they become larger problems
- We are committed to frequent and extensive shareholder engagement to learn what issues are important to the owners of your Company
- Your Board of Directors is committed to enhancing shareholder value and has approved a long-term strategic plan, which is designed to achieve this objective and which is being implemented by senior management under the Board's close supervision

Compensation Committee

Duties and Responsibilities

The Board's Compensation Committee assists the Board in discharging and performing its duties regarding the compensation of our executives, including our NEOs, executive succession planning, and other matters. The Compensation Committee also is the administrator of our long-term incentive award and annual bonus plans.

The Compensation Committee is also responsible for:

- Reviewing, evaluating and establishing compensation plans, programs and policies for, and reviewing and approving the total compensation of, our senior executives at the level of executive vice president and above, including our CEO;
- Monitoring the search for, and approving the proposed compensation for, all senior executives at the level of executive vice president and above and periodically reviewing and making recommendations to the full Board regarding the compensation of Directors; and
- Retaining and overseeing the independent compensation consultant that provides advice regarding executive and Director compensation matters.

Processes and Procedures

Following approval of the annual budget, either before or during the first quarter of each year, the Committee establishes the minimum financial performance objective required before any annual incentive award payment may be made, as well as the year's objectives for financial, on-time customer service reliability and individual performance goals and objectives for senior executives. All are taken into account in setting the performance

Corporate Social Responsibility and Political Contributions

Health, Safety and the Environment

At Cheniere, sustainability and social responsibility are core requirements for the success of our business. It is Cheniere's policy to protect the health and safety of our employees, contractors, visitors, and host community residents as well as prevent impacts to the environment in all aspects of executing our business strategy. Our commitment to promote the health and safety of contractors and employees, to preserve the environment, and to contribute to the long-term strength of the communities where we do business (otherwise known as our License to Operate), and our commitment to sustainable operations and development will ensure strong economic value for all stakeholders. Cheniere's management accomplishes this objective by providing a clear strategic plan that integrates occupational health and safety, process safety, integrity management, and environmental stewardship into all business decisions and operations. Below are some examples of the steps we have taken towards upholding these values:

- ✓ Operationalizing our core values: Teamwork, Respect, Accountability, Integrity, Nimble and Safety
- ✓ Upholding our Corporate Health, Safety and Environmental ("HSE") Policy
- ✓ Promoting a strong HSE culture through every level of the organization
- ✓ Setting HSE performance objectives and commitments
- ✓ Complying with all applicable HSE standards and procedures
- ✓ Committing to eight life-critical safety rules that aim to reduce risks and maintain a safe work environment, (otherwise known as the Cheniere Life Saving Rules)
- ✓ Continually training and educating our employees and contractors on their responsibility to identify work that is unsafe or environmentally unsound and to help mitigate potential negative impacts

Political Contributions

It is Cheniere's policy that Company funds or assets will not be used to make a political contribution to any political party or candidate, unless approval has been given by a compliance officer. The Cheniere Energy, Inc. Political Action Committee ("Cheniere PAC") is a forum for employees to voluntarily contribute to a fund that supports the election of candidates to Congress that support the principles of free enterprise, good government, a fair and reasonable business environment for the energy industry and that share the Company's philosophy that energy diversity advances overall energy security. Decisions about contributions to specific federal candidates are made by members of the Cheniere PAC, with input from the Company's government affairs staff in Washington, D.C.

In total, Cheniere and Cheniere employees, through the Cheniere PAC, contributed less than $1 million in 2016 to political parties and candidates.

Meetings and Committees of the Board

Our operations are managed under the broad supervision and direction of the Board, which has the ultimate responsibility for the establishment and implementation of the Company's general operating philosophy, objectives, goals and policies. Pursuant to delegated authority, certain Board functions are discharged by the Board's standing Audit, Governance and Nominating and Compensation Committees. Members of the Audit, Governance and Nominating and Compensation Committees for a given year are selected by the Board following the annual shareholders' meeting. During the fiscal year ended December 31, 2016, our Board held 17 meetings. Each incumbent member of the Board attended or participated in at least 75% of the aggregate number of: (i) Board meetings; and (ii) committee meetings held by each committee of the Board on which the director served during the period for which each director served. Although directors are not required to attend annual shareholders' meetings, they are encouraged to attend such meetings. At the 2016 Annual Meeting of Shareholders, 10 of the 10 members of the Board then serving were present.

Certain Relationships and Related Party Transactions

The Company has adopted a written Related Party Transaction Approval Policy that applies:

- to any transaction or series of transactions in which the Company or a subsidiary is a participant;
- when the amount involved exceeds $120,000; and
- when a related party (a director or executive officer of the Company, any nominee for director, any shareholder owning an excess of 5% of the total equity of the Company and any immediate family member of any such person) has a direct or indirect material interest (other than solely as a result of being a director or trustee or in any similar position or a less than 10 percent beneficial owner of another entity).

The policy is administered by the Corporate Governance and Business Ethics Committee. The Committee will consider relevant facts and circumstances in determining whether or not to approve or ratify such a transaction, and will approve or ratify only those transactions that are, in the Committee's judgment, appropriate or desirable under the circumstances.

In the ordinary course of business, we may from time to time engage in transactions with other corporations or financial institutions whose officers or directors are also directors of Prudential Financial. In all cases, these transactions are conducted on an arm's-length basis. In addition, from time to time executive officers and directors of Prudential Financial may engage in transactions in the ordinary course of business involving services we offer, such as insurance and investment services, on terms similar to those extended to employees of Prudential Financial and its subsidiaries and affiliates generally. The Corporate Governance and Business Ethics Committee has determined that certain types of transactions do not create or involve a direct or indirect material interest, including (i) any sales of financial services or products to a related party in the ordinary course of business on terms and conditions generally available in the market place (or at ordinary employee discounts, if applicable) and in accordance with applicable law and (ii) all business relationships between the Company and a 5% shareholder or a business affiliated with a director, director nominee or immediate family member of a director or director nominee made in the ordinary course of business on terms and conditions generally available in the market place and in accordance with applicable law.

Pursuant to our policy, the Corporate Governance and Business Ethics Committee determined that there were two transactions that qualified as related party transactions since the beginning of 2016. The brother of Robert Falzon, our Executive Vice President and Chief Financial Officer, Michael Falzon, is a Vice President for Infrastructure Systems Development. In 2016, the total compensation paid to Michael Falzon, including salary, bonus and the grant date value of long-term incentive awards, was approximately $480,300. The son-in-law of Barbara Koster, our Senior Vice President and Chief Information Officer, Joshua D. Howard, is an associate in Quantitative Management Associates, a subsidiary of the Company. In 2016, the total compensation paid to Mr. Howard, including salary and bonus, was approximately $141,500. In both cases the compensation is similar to the compensation of other employees holding equivalent positions. Neither individual is in the reporting chain of the executive officer.

SUSTAINABILITY AND ENVIRONMENT

At Prudential, sustainability represents how the Company anticipates and manages future risks and opportunities to meet its long-term promises. Sustainability advocates have noted Prudential's work in the field, especially the active involvement of the Board and senior leadership. Sustainability highlights in 2016 include:

- Providing the Board's Corporate Governance and Business Ethics Committee with a formal report on the Company's strategy and developments.
- Engaging with industry groups, advocates and shareholders on our efforts. A team of Prudential senior leaders participated in a dialogue with the leader of the Geneva Association's Extreme Events and Climate Risk Working Group.
- Facilitating a dialogue between Ceres, a non-profit advocating sustainability leadership, and selected Company executives on Prudential's sustainability progress. Prudential receives feedback on its sustainability efforts from Ceres and as part of ongoing stakeholder engagement.
- Receiving LEED Gold Certification from the U.S. Green Building Council for the new Prudential tower in Newark, NJ.
- Inviting registered shareholders to steward natural resource conservation by accessing shareholder materials online, voting online and registering for direct deposit of dividends.
- Releasing our annual sustainability report — Build, Preserve. Repeat. — with stakeholder input shaping the content. To review the report visit www.prudential.com/sustainability.
- Adhering to the criteria for inclusion in the FTSE4Good Index Series since 2011, which measures the performance of companies' environmental, social and governance (ESG) practices.

Policy on Shareholder Rights Plan

We do not have a shareholder rights plan. The Board will obtain shareholder approval prior to adopting a future shareholder rights plan unless the Board, in the exercise of its fiduciary duties, determines that under the circumstances then existing, it would be in the best interests of the Company and our shareholders to adopt a rights plan without prior shareholder approval. If a rights plan is adopted by the Board without prior shareholder approval, the plan must provide that it will expire within one year of adoption unless ratified by shareholders.

Political Contributions and Lobbying Expenditure Oversight and Disclosure

The Corporate Governance and Business Ethics Committee reviews and approves an annual report on political activities, contributions and lobbying expenses. It monitors and evaluates the Company's ongoing political strategy as it relates to overall public policy objectives for the next year and provides guidance to the Board. We provide on our website a description of our oversight process for political contributions and a summary of PAC contributions. We also include information on annual dues, assessments and contributions of $25,000 or more to trade associations and tax-exempt advocacy groups and a summary of Company policies and procedures for political activity. This disclosure is available at www.prudential.com/governance under the heading "Political Activity & Contributions."

In 2016, Prudential received a CPA-Zicklin designation as Trendsetter. This honor represents a top-five ranking for political disclosure and accountability in the 2016 CPA-Zicklin Trendsetters Designation Index of Corporate Political Disclosure and Accountability.

Environmental, Sustainability and Corporate Social Responsibility

The Corporate Governance and Business Ethics Committee has oversight of environmental issues and policies. In addition, three of our Board members sit on the Corporate Social Responsibility Oversight Committee. These directors inform the Company's social responsibility efforts in investing for financial and social returns, strategic philanthropy, employee engagement and corporate community involvement.

CORPORATE RESPONSIBILITY

The Office of Corporate Social Responsibility extends the reach of Prudential's business model to create pathways for all individuals and families to achieve financial and social mobility.

In 2016, Prudential invested:

- $41 million in grants to non-profit organizations through The Prudential Foundation;
- $237 million in impact investments to non-profits and businesses that seek to create both a financial and social return. In 2016, the company reached the halfway mark to achieving its goal of having a $1 billion impact investment portfolio by 2020; and
- $15 million in corporate contributions to non-profit organizations, including $5 million in projects serving U.S. veterans.

Prudential employees continued the Company's long tradition of corporate community involvement. For these efforts, Prudential has once again been named to the Civic 50 list celebrating America's most community-minded companies, an honor awarded by the non-profit organization Points of Light.

Sustainability

We are committed to supporting a sustainable future through our business practices. For the second year, we were named to *Fortune*'s Change the World list, which recognizes 50 companies making important social or environmental impact through their corporate strategies.

Social Sustainability

Most significantly, we work to advance equitable and sustainable economic growth and financial inclusion around the world. As an integral part of our business objectives, we strive to work with others to connect the underbanked and unbanked to formal financial services. We believe that enabling vulnerable and marginalized communities to access these services is both the "right thing to do" and vital to the future of a vibrant modern economy. Our work on these efforts across the organization includes incubating innovative ideas, scaling proven solutions and leveraging our processes or network. Our achievements in this area include the following highlights:

- Through the Mastercard Center for Inclusive Growth, which is an independent subsidiary of Mastercard, we combine data, expertise, technology and philanthropic investments to empower those working on the front lines of inclusive growth.
- We help design inclusive financial services solutions and infrastructures that aid the underserved and provide support for financial ecosystems that will meet the needs of a diverse set of consumers, notably the unbanked.
- We created the Mastercard Labs for Financial Inclusion with the support of the Bill & Melinda Gates Foundation, which seeks to impact more than 100 million people by bringing together our innovation and global financial inclusion capabilities with local expertise and insight.
- We actively support the UN's Sustainable Development Goals, and we have over 500 programs in more than 50 countries that are designed to reach the financially excluded.

In addition to these efforts, we aim to have an enduring impact on the communities in which we live and work through our corporate philanthropy and employee volunteerism.

Environmental Sustainability

We understand the importance of addressing environmental sustainability and have undertaken meaningful efforts to responsibly manage our overall environmental footprint over the course of several years. Most recently, we have focused on climate change, employee travel, natural resource management and environmental governance, including:

Climate Change

- Achieved carbon neutrality at our owned buildings in the U.S. and Belgium
- Obtained all electricity from hydroelectric sources at our campus in Belgium
- Achieved 720,000 kilowatt hours of energy savings through implementation of energy-efficiency projects, which equates to a reduction of 535 metric tons of carbon

Employee Travel

- Provided electric car charging stations at all owned buildings
- Offered employee shuttle bus services at our Purchase, Waterloo and Pune sites

Corporate Responsibility, Environmental and Sustainability Matters

We have a long-standing commitment to our shareholders and communities to operate in an environmentally and socially responsible manner. We are reducing our global carbon footprint, optimizing the efficiency and safety of our workplace, helping our customers reduce their own environmental footprints, and engaging with our suppliers to help them operate in more sustainable ways. To do this, we provide solutions all over the world in the form of improved and new types of products, innovation for existing products and services, and advanced technologies and manufacturing.

Placing the customer at the center of everything we do extends to both how we build our products and how we serve and improve our communities. When it comes to sustainability, we pursue outcomes that create value for all of our stakeholders.

FIND MORE ONLINE

For additional information and to read about benefits for each action outlined below, please read our Sustainability Report available at gmsustainability.com.

SAFETY FOUNDATION

Key Actions:

- Introduced Teen Driver system in Chevrolet models – a teaching tool to help encourage safe driving practices in teens. The technology will roll out to other Chevrolet, Buick, GMC and Cadillac models in 2017.
- Introduced Rear Seat Reminder on 16 models, an industry first technology to audibly and visually remind drivers when exiting the vehicle to check the back seat.
- Revamped Code of Conduct comprehensively emphasizes speaking up for safety, providing employees multiple avenues to report vehicle and workplace safety issues.
- Undertook a comprehensive third party risk assessment and implemented recommendations to drive intense focus on workplace safety and reduce severity of injuries.
- Strengthened awareness of fatality prevention program to drive and sustain ZERO fatalities and increased focus on achieving ZERO recordable injuries.
- Leveraged personal accountability and safety branding to transform our safety culture.
- Maintained a Global Workplace Safety System to assure compliance with regulations and conformance to GM standards.

ENGAGING YOUTH IN SCIENCE, TECHNOLOGY, ENGINEERING AND MATH ("STEM")

Key Actions:

- Partnered with **Girls Who Code** to promote and inspire thousands of U.S. middle and high school girls to pursue computer science related education.
- Continued our 25-year commitment to the GM GREEN (Global Rivers Environmental Education Network), a program that engages more than 15,000 youth each year in watershed education.
- Partnered with **FIRST Robotics**, which inspires and develops science and technology education.
- Partnered with **Detroit Area Pre-College Engineering Program ("DAPCEP")** to encourage and prepare students across southeast Michigan for the technical jobs of the future.
- Created Take 2, an internship program for professionals with technical backgrounds who took a career break of two or more years and are interested in returning to the workforce.

FUEL EFFICIENCY TECHNOLOGIES

Key Actions:

- Launched the Chevrolet Bolt EV, the first mass-market, affordable, high-range electric vehicle – 238 MPGe for $30,000 (after federal incentives).
- Shaved off more than 3,600 lbs. of mass combined in the 10 new vehicle models introduced in 2016, resulting in 228,000 tons of avoided CO2 emissions and fuel savings of 28 million gallons.

OPERATIONAL EXCELLENCE

Key Actions:

- Benchmark company in energy efficiency with 75 of our worldwide facilities meeting the U.S. Energy Star Challenge for Industry.
- Leader in waste reduction and recycling with 152 landfill-free facilities worldwide.
- Committed to using 100% renewable energy for our 350 facilities in 59 countries by 2050.

RESPONSIBLE SUPPLY CHAIN

Key Actions:

- Engaged with Chinese suppliers in a yearlong "Green Supply Chain" initiative designed to reduce energy consumption.
- Hosted a GM North America Supplier Sustainability Summit for 150 suppliers with a focus on sharing best practices, and how sustainable and responsible practices drive long-term business value and reduced risk.

INVESTING IN SHARED MOBILITY

Key Actions:

- Invested $500 million in Lyft car-sharing platform focused on creating a future integrated network of on-demand autonomous vehicles in the U.S.
- Launched Maven, a new GM brand, and three consumer products: **Maven City** car sharing, **Maven Home** and **Express Drive** (helping nearly 20,000 members drive 75 million miles in 17 U.S. cities and four countries).

PIONEERING AUTONOMOUS VEHICLES

Key Actions:

- Established a dedicated team for autonomous vehicle development.
- Acquired Cruise Automation, Inc. adding deep software and rapid development capability to further accelerate autonomous vehicle technology.
- Started real-world autonomous testing on public roads in Warren, Michigan, Scottsdale, Arizona, and San Francisco, California.

Leaders In Action: Awards & Recognition

Third parties regularly recognize our employees' innovation, environmental leadership, and workplace satisfaction. We are pleased to highlight some of these awards here.

- CDP (Carbon Disclosure Project) selected GM as a Global Climate A Leader for the Company's performance and disclosure of its CO2 and climate impacts.
- U.S. Energy Star Partner of the Year – Sustained Excellence company for the last four years.
- Only automaker on the Dow Jones Sustainability Index for North America for two years in a row.
- Diversity Inc. Magazine's 2016 Top 50 Companies for Diversity.
- Perfect Score on the 2016 Corporate Equality Index.
- 2017 CDP Supplier Engagement Leader Board, for actions and strategies to manage carbon and climate change across our supply chain.

GENDER PAY POLICY

Prudential's Total Rewards is integral to our employee value proposition. This package includes compensation, as well as programs and resources available to our employees.

All roles in our U.S. organization are reviewed and assigned a value and market reference range based on market and benchmarking data. These ranges enable us to recruit and promote talent within the context of an individual's background, experience and performance.

ANNUAL COMPENSATION REVIEW OF ALL U.S. EMPLOYEES

Process

Human Resources and Legal team assesses compensation structure for potential pay disparities by gender and race/ethnicity.

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Independent third party reviews Human Resources and Legal team's evaluation.

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If disparities are found, corrective action is taken.

Employee Input

Internal survey contains pay-related questions enabling employees to address compensation issues.

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Employees can raise issues regarding pay equity with the Ethics Office, Human Resources or their manager.

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Pay discrimination is investigated by trained professionals dedicated to reviewing unlawful discrimination claims.

This integrated approach ensures that we proactively manage pay equity on an ongoing basis for both women and people of color, and that we satisfy our heightened obligations as a federal contractor.

After completion of our annual review, Prudential is confident that, controlling for relevant factors, there are no significant gender or race wage differentials in the U.S. for employees performing substantially similar work.

Our Board receives a review of our pay equity assessment each year as part of our annual human resources strategy update.

Prudential