Trends in Investor Communications

Key Compensation Disclosure Enhancement in Proxy Statements

Argyle

In This
Thought Piece

There are enhancements that can be incorporated into a proxy that helps to improve disclosure and make the proxy a more reader-friendly document.

On the following pages, we've provided a number of ways in which many of these features can be considered and implemented.

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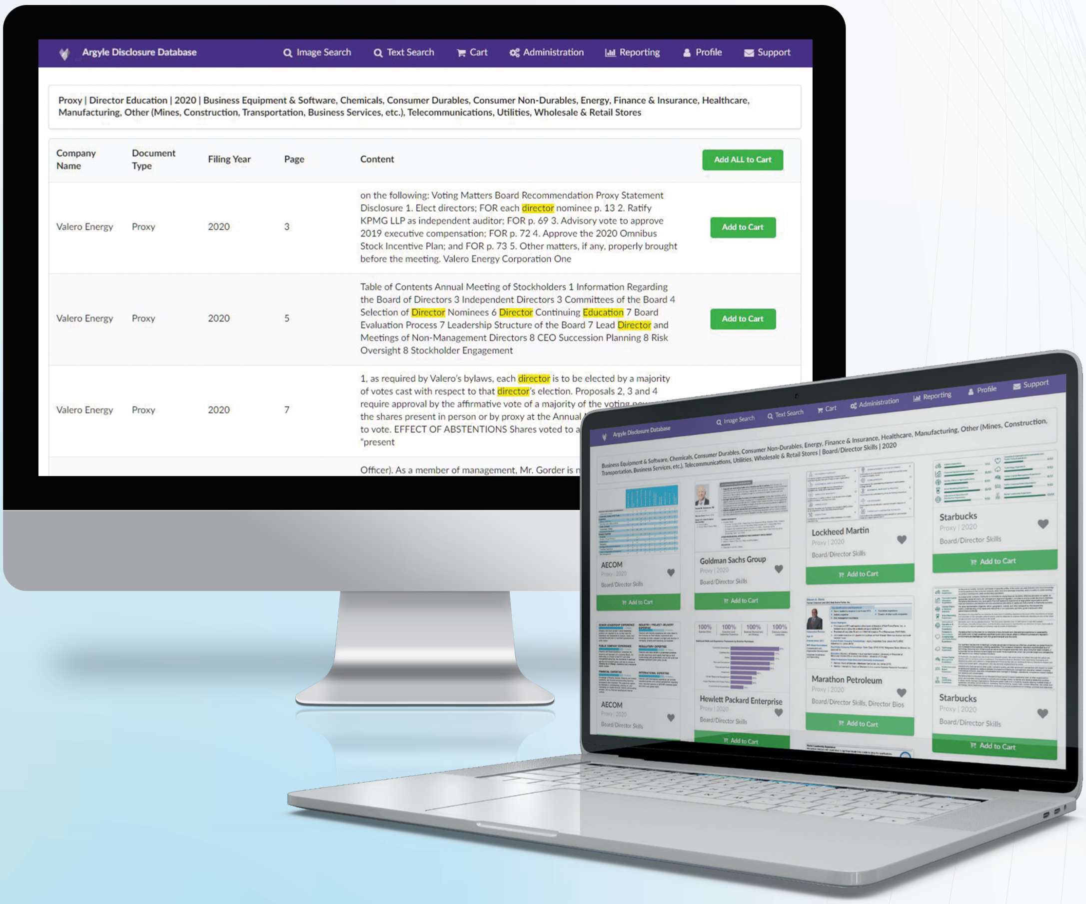

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Presentation of Goals & Performance

Presentation of CEO & NEO Scorecards

Presentation of Other Compensation Policies & Practices

Other Compensation Disclosure Enhancements

Inclusion of a Table of Contents in CD&A

- A separate TOC dedicated to the CD&A allows for easy usability while also providing an overview of all topics discussed within the CD&A.

Campbell's

COMPENSATION DISCUSSION AND ANALYSIS (PAGE 35)

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

COMPENSATION DISCUSSION AND ANALYSIS ("CD&A")

This CD&A describes our executive compensation program for the Chief Executive Officer ("CEO"), the former interim Chief Executive Officer ("former CEO"), the former Chief Financial Officer ("former CFO"), and the three other most highly compensated executive officers who were serving as executive officers at fiscal year end (July 28, 2019), (collectively with the CEO, former CEO and former CFO, "named executive officers" or "NEOs"). The Compensation and Organization Committee ("Committee") of the Board of Directors oversees all aspects of NEO compensation, including annual incentive compensation under our Annual Incentive Plan ("AIP") and long-term incentive compensation under our Long-Term Incentive Program ("LTI Program"). The fiscal 2019 NEOs are:

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

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

COMPENSATION DISCUSSION & ANALYSIS (PAGE 47)

https://s1.q4cdn.com/597881801/files/doc_financials/2020/ar/2020-Proxy-Statement-Web-Ready-PDF-FINAL.pdf

Compensation Discussion & Analysis ("CD&A")

Introduction

This CD&A describes our compensation program that applies to all of our executive officers, including our CEO and Senior Vice Presidents, whom we refer to as our Senior Leadership Team ("SLT"). It is designed to provide shareowners with an understanding of our compensation philosophy, core design principles and decision-making process. This narrative further explains how our Management Development and Compensation Committee ("MDCC") oversees and designs the program and reviews the 2019 compensation of our Named Executive Officers ("NEOs") as shown below:

Mark S. Sutton	CEO & Chairman of the Board (Principal Executive Officer)
Timothy S. Nicholls	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
Jean-Michel Ribieras	Senior Vice President – Industrial Packaging the Americas
Catherine I. Slater	Senior Vice President – Global Cellulose Fibers and IP Asia
Sharon R. Ryan	Senior Vice President – General Counsel and Corporate Secretary

Overview of Our CD&A

Southern Company

COMPENSATION DISCUSSION AND ANALYSIS (PAGE 42)

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

Compensation Discussion and Analysis

What you will find in this CD&A:

CD&A Enhancements:

- **Ease of Use:** CD&A At-a-Glance provides an easily understandable overview for investors of key items discussed in the CD&A
- **Goal Rigor:** Enhanced discussion of our compensation program goal setting process and goal rigor analysis
- **Strategic Alignment of ESG Matters:** Enhanced discussion on how we link our compensation program design to our strategy on key ESG matters, including an update on progress towards the GHG emission reduction goal for the CEO's 2019-2021 long-term incentive program

This CD&A focuses on the compensation for our CEO, CFO and our three other most highly compensated executive officers serving at the end of 2019. Collectively, these officers are referred to as the NEOs.

Tom Fanning

Chairman of the Board, President and CEO of Southern Company

Andrew Evans

Executive Vice President and CFO of Southern Company

Paul Bowers

Chairman, President and CEO of Georgia Power

Mark Crosswhite

Chairman, President and CEO of Alabama Power

Kimberly Greene

Chairman, President and CEO of Southern Company Gas

Walmart

COMPENSATION DISCUSSION AND ANALYSIS (PAGE 42)

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

Compensation Discussion and Analysis

In this section, we describe our executive compensation philosophy and program that support our strategic objectives and serve the long-term interests of our shareholders. We also discuss how our CEO, CFO, and other Named Executive Officers (our NEOs) were compensated in fiscal 2020 and describe how their compensation fits within our executive compensation philosophy. For fiscal 2020, our NEOs were:

C. Douglas McMillon
President and Chief Executive Officer

M. Brett Biggs
Executive Vice President and Chief Financial Officer

Suresh Kumar
Global Chief Technology Officer and Chief Development Officer

Judith McKenna
Executive Vice President, President and CEO, Walmart International

Kathryn McLay
Executive Vice President, President and CEO, Sam's Club

John R. Furner
Executive Vice President, President and CEO, Walmart U.S.

Disclosure regarding Mr. Furner's fiscal 2020 compensation is not required under SEC rules. Nevertheless, we have voluntarily included his compensation information in this proxy statement on the same basis as our other NEOs. We included this disclosure because we believe it is helpful to provide shareholders with information about how our compensation plans are designed to incentivize and support each of our operating segments.

Table of Contents

This CD&A is organized as follows:

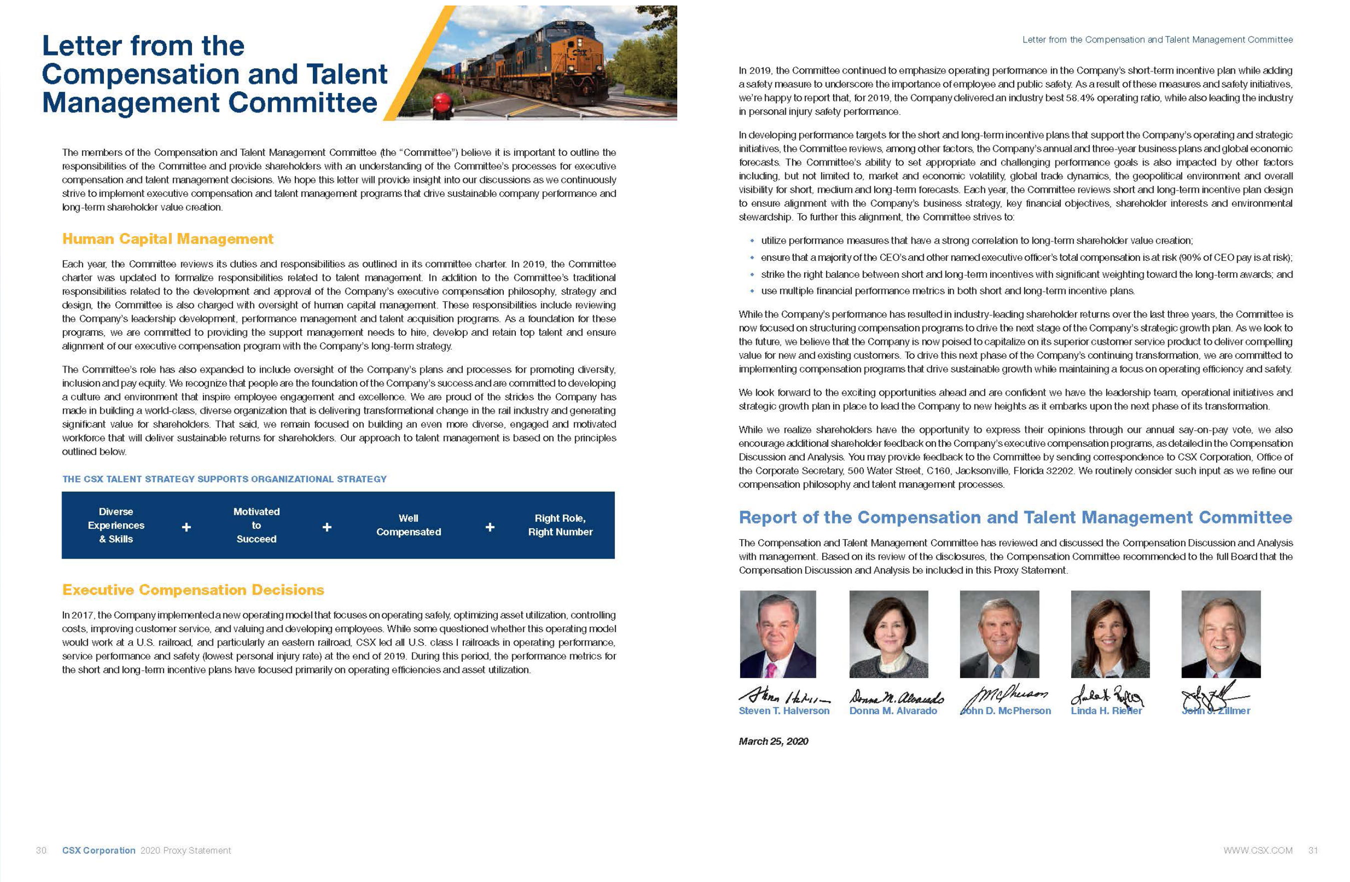
Inclusion of a Letter from the Compensation Committee

- This feature demonstrates to investors how the Compensation Committee is actively overseeing their executive compensation programs.
- Please note in the United Therapeutics example that the Executive Summary is included in the letter from the Compensation Committee Chairman.

CSX

LETTER FROM THE COMPENSATION AND TALENT MANAGEMENT COMMITTEE (PAGES 30-31)

https://s2.q4cdn.com/859568992/files/annual/CSX-Corp-Proxy-Statement-2020.pdf



Letter from the Compensation and Talent Management Committee

The members of the Compensation and Talent Management Committee (the "Committee") believe it is important to outline the responsibilities of the Committee and provide shareholders with an understanding of the Committee's processes for executive compensation and talent management decisions. We hope this letter will provide insight into our discussions as we continuously strive to implement executive compensation and talent management programs that drive sustainable company performance and long-term shareholder value creation.

Human Capital Management

Each year, the Committee reviews its duties and responsibilities as outlined in its committee charter. In 2019, the Committee charter was updated to formalize responsibilities related to talent management. In addition to the Committee's traditional responsibilities related to the development and approval of the Company's executive compensation philosophy, strategy and design, the Committee is also charged with oversight of human capital management. These responsibilities include reviewing the Company's leadership development, performance management and talent acquisition programs. As a foundation for these programs, we are committed to providing the support management needs to hire, develop and retain top talent and ensure alignment of our executive compensation program with the Company's long-term strategy.

The Committee's role has also expanded to include oversight of the Company's plans and processes for promoting diversity, inclusion and pay equity. We recognize that people are the foundation of the Company's success and are committed to developing a culture and environment that inspire employee engagement and excellence. We are proud of the strides the Company has made in building a world-class, diverse organization that is delivering transformational change in the rail industry and generating significant value for shareholders. That said, we remain focused on building an even more diverse, engaged and motivated workforce that will deliver sustainable returns for shareholders. Our approach to talent management is based on the principles outlined below.

THE CSX TALENT STRATEGY SUPPORTS ORGANIZATIONAL STRATEGY

Diverse Experiences & Skills + Motivated to Succeed + Well Compensated + Right Role, Right Number

Executive Compensation Decisions

In 2017, the Company implemented a new operating model that focuses on operating safely, optimizing asset utilization, controlling costs, improving customer service, and valuing and developing employees. While some questioned whether this operating model would work at a U.S. railroad, and particularly an eastern railroad, CSX led all U.S. class I railroads in operating performance, service performance and safety (lowest personal injury rate) at the end of 2019. During this period, the performance metrics for the short and long-term incentive plans have focused primarily on operating efficiencies and asset utilization.

Letter from the Compensation and Talent Management Committee

In 2019, the Committee continued to emphasize operating performance in the Company's short-term incentive plan while adding a safety measure to underscore the importance of employee and public safety. As a result of these measures and safety initiatives, we're happy to report that, for 2019, the Company delivered an industry best 58.4% operating ratio, while also leading the industry in personal injury safety performance.

In developing performance targets for the short and long-term incentive plans that support the Company's operating and strategic initiatives, the Committee reviews, among other factors, the Company's annual and three-year business plans and global economic forecasts. The Committee's ability to set appropriate and challenging performance goals is also impacted by other factors including, but not limited to, market and economic volatility, global trade dynamics, the geopolitical environment and overall visibility for short, medium and long-term forecasts. Each year, the Committee reviews short and long-term incentive plan design to ensure alignment with the Company's business strategy, key financial objectives, shareholder interests and environmental stewardship. To further this alignment, the Committee strives to:

- utilize performance measures that have a strong correlation to long-term shareholder value creation;
- ensure that a majority of the CEO's and other named executive officer's total compensation is at risk (90% of CEO pay is at risk);
- strike the right balance between short and long-term incentives with significant weighting toward the long-term awards; and
- use multiple financial performance metrics in both short and long-term incentive plans.

While the Company's performance has resulted in industry-leading shareholder returns over the last three years, the Committee is now focused on structuring compensation programs to drive the next stage of the Company's strategic growth plan. As we look to the future, we believe that the Company is now poised to capitalize on its superior customer service product to deliver compelling value for new and existing customers. To drive this next phase of the Company's continuing transformation, we are committed to implementing compensation programs that drive sustainable growth while maintaining a focus on operating efficiency and safety.

We look forward to the exciting opportunities ahead and are confident we have the leadership team, operational initiatives and strategic growth plan in place to lead the Company to new heights as it embarks upon the next phase of its transformation.

While we realize shareholders have the opportunity to express their opinions through our annual say-on-pay vote, we also encourage additional shareholder feedback on the Company's executive compensation programs, as detailed in the Compensation Discussion and Analysis. You may provide feedback to the Committee by sending correspondence to CSX Corporation, Office of the Corporate Secretary, 500 Water Street, C160, Jacksonville, Florida 32202. We routinely consider such input as we refine our compensation philosophy and talent management processes.

Report of the Compensation and Talent Management Committee

The Compensation and Talent Management Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on its review of the disclosures, the Compensation Committee recommended to the full Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Steven T. Halverson | Donna M. Alvarado | John D. McPherson | Linda H. Riefler | John J. Zillmer

March 25, 2020

eBay

MESSAGE FROM THE COMPENSATION COMMITTEE (PAGE 47)

https://ebay.q4cdn.com/610426115/files/doc_financials/2019/ar/2020-Proxy-Statement-(1).pdf

Message from the Compensation Committee

Dear eBay Stockholder,

2019 was a year of evolution as eBay focused on investments in our core Marketplace to improve the customer experience and position the Company for growth. We introduced several initiatives, including an operating review that resulted in a three-year plan to drive margin improvement and a strategic review of our portfolio of assets, which resulted in the 2020 sale of the StubHub business. We continued to make progress on growth initiatives of managed payments and advertising, including the acceleration of managed payments in the U.S. and Germany, along with a focus on our first-party advertising business. We also saw growth in our Classifieds business, particularly as the business furthered its verticalization strategy in automotive.

2019 Performance

In 2019, we took actions to promote the Company's long-term success. These actions provide optimism that the Company made progress which was reflected in an above-target annual incentive award payout in respect of 2019. However, we recognize that performance over the last two years fell short of expectations. Our long-term incentive plans held leaders accountable for this performance with below-target payouts of the performance-based restricted stock units for the 2018-2019 performance cycle. Accordingly, we believe our compensation program is aligned with our pay-for-performance philosophy and continues to contain the right mix of short and long-term incentives to drive performance during 2020 and beyond.

Continued Stockholder Engagement

While the Company continues to evolve, our core values remain constant. We welcome diversity of thoughts, backgrounds, ideas and opinions because we believe our shared purpose benefits from a multiplicity of viewpoints. This includes our solicitation of feedback from our stockholders through regular engagement efforts and outreach initiatives. We routinely discuss our strategy for executive compensation and address current trends and issues related to compensation. In 2019, consistent with our commitment to stockholder input and as we have consistently done for many years, the Company held conversations with investors during which we discussed our executive compensation program and their feedback on that program, among other matters.

The compensation program for our executives reflects our careful consideration of this feedback, and our view that the compensation appropriately recognizes our executives' performance.

Leadership Transition

We believe strong leadership is an important element of success, particularly as eBay positions itself for growth. In fall 2019, the Board began a comprehensive search for a new Chief Executive Officer. During the CEO search, certain compensation decisions were made to place tenured leaders in new roles, particularly the appointments of Scott Schenkel and Andrew Cring to the interim CEO and CFO roles, respectively. Other executive compensation decisions were related to hiring a new Chief Product Officer to simplify the Marketplace shopping experience and recognizing the importance of the core leadership team in delivering on the portfolio and operating reviews.

In April 2020, the Board appointed Jamie Iannone, an experienced leader with a proven track record of innovation, execution, and operational excellence, as the Company's next CEO. Now, in the year of our 25th anniversary, we are excited that Jamie will lead eBay in its next chapter.

eBay exists to empower people and create economic opportunity. This shared purpose continues to drive our culture and motivates our employees every day. In this time of change, we are counting on our people to be driven, inventive, courageous, diverse and inclusive, and to deliver an authentic eBay experience. We welcome your input on our 2019 compensation program, which is described in the following pages.

Paul S. Pressler | **Anthony J. Bates** | **Bonnie S. Hammer** | **Kathleen C. Mitic** | **Thomas J. Tierney**

Southern Company

LETTER FROM THE COMPENSATION AND MANAGEMENT SUCCESSION COMMITTEE (PAGES 44-45)

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

Compensation Discussion and Analysis

Letter from the Compensation and Management Succession Committee

To our Fellow Stockholders:

As highlighted in the 2019 Company Performance Overview on page 4, Southern Company achieved numerous successes on multiple fronts over the past year. Under the leadership of our Chairman and CEO Tom Fanning, the Company had some of its strongest financial and operational performances in recent history. The Company's TSR performance for 2019 was double that of the Philadelphia Utility Index. We made great strides in 2019 on our construction project at Georgia Power's Plant Vogtle Units 3 and 4, meeting all major milestones for 2019.

During 2019, the Committee continued to focus on ensuring that our compensation programs are designed and implemented to drive long-term value creation for our stockholders, reflect feedback from our ongoing stockholder engagement program and are aligned with our compensation beliefs.

Compensation Committee Oversight and Engagement

In 2019, we continued to be actively engaged in our oversight responsibilities for executive compensation, leadership development and management succession planning. We met 10 times in 2019, with average Director attendance of 95%. The five independent Directors serving on the Compensation Committee bring a diverse range of qualifications, attributes, skills, experiences and perspectives to our decision-making. We are committed to aligning pay with performance each year, hiring, developing and retaining top talent and ensuring alignment of our compensation program with the Company's long-term strategy.

Throughout 2019 and into 2020, we continued our involvement in stockholder outreach, which includes independent Director participation in key engagements. In addition to direct participation, Directors receive regular updates from management on our robust stockholder engagement program.

Key Focus Areas

An overview of the key focus areas for our Committee over the past year are described below.

CEO Performance

- We reviewed and approved the CEO's performance goals for 2019 and engaged in ongoing performance assessment dialogue throughout the year.
- Utilizing an independent third-party, we facilitated a CEO performance review with the independent members of the Board. Details on CEO performance are on page 52.

Compensation Plan Design and Alignment with Business Strategy and Stockholder Interests

- We conducted our annual rigorous program evaluation to assess:
  - Appropriateness of our incentive plan design to ensure that it strikes the right balance between short- and long-term results
  - Alignment of our incentive plan design with the business strategy and key financial objectives of superior risk-adjusted total shareholder return and regular, predictable, sustainable EPS and dividend growth, while maintaining financial integrity
  - Alignment with stockholder interests
- Conclusion: We believe our plan design works as intended and aligns CEO performance with the long-term strategy of our business and value creation for stockholders.
- For 2019, the Committee continued to uphold our philosophy of paying on adjusted earnings, excluding the $1.3 billion gain from the sale of Gulf Power, among other items, in the calculation of payouts under the short- and long-term incentive plans. The Committee will continue to be actively engaged in reviewing all earnings adjustments and, if needed, apply discretion to align pay with performance.

Goal Setting and Earnings Adjustments

- We reviewed, assessed and continued our practice of setting financial goals consistent with earnings guidance and our financial plan.
- We remained actively engaged in reviewing any EPS adjustment by considering (1) management's control over the item, (2) whether the item was contemplated in the financial plan, (3) alignment of pay outcome with stockholder impact and (4) alignment of pay outcome with management accountability.
- Our policy is to pay on adjusted earnings and apply discretion, either positive or negative, if needed to align pay with performance.

Human Capital Engagement

- Our employees are one of our greatest assets, and our actions demonstrate the value we place on our people. We are fully committed to the long-term value that is created by attracting, developing,

44 | Southern Company 2020 Proxy Statement

Compensation Discussion and Analysis

including and retaining an engaged, healthy, sustainable and socially responsible workforce. Our robust workforce is a leading indicator of our business performance.
- We believe in and invest in the well-being of our employees through a comprehensive total rewards strategy that includes competitive salary, annual incentive awards for nearly all employees and health, welfare and retirement benefits designed to encourage physical, financial and emotional well-being for all employees.
- We continued quarterly engagement with management on key talent at the local business unit or operating company level, including their specific human resources initiatives and actions on diversity and inclusion, culture and employee attraction, engagement and retention efforts.

Motivating and Retaining Key Talent and Thoughtful Succession Planning

- We identified strategies and tools to motivate and retain key talent.
- We actively engaged in the identification and review of key talent throughout the organization.
- We continued the engagement of a third-party consultant to review CEO and senior management succession planning.

Pay Decisions

The Committee believes that the compensation programs are appropriate and effectively align executive pay with Company performance by:

- Placing the majority of the CEO's total compensation at risk
  - Providing direct alignment of a portion of the CEO's variable pay with stockholder return
  - 89% of the CEO's target pay is at risk
- Striking the right balance between short- and long-term goals
  - CEO target compensation is significantly weighted towards the long-term, with 74% of target total direct compensation in the long-term incentive program
- Aligning performance metrics
  - Primarily focusing on outcome-based measures that create stockholder value on a risk adjusted basis, such as relative TSR, ROE and adjusted EPS growth
  - Including input measures intended to create long-term sustainability for our stockholders, such as GHG reduction, safety, customer satisfaction and culture
  - Actively evaluating pay outcomes, goal rigor and earnings adjustments

Every year, the Committee follows a robust and rigorous review process to ensure that the compensation programs as implemented are producing the desired outcomes that are aligned with stockholders' long-term interests and overall Company performance.

2019 Incentive Compensation Pay Decisions for the CEO

Our strong Company results and the CEO's outstanding individual performance resulted in the following incentive payouts:

- 2019 Performance Pay Program annual incentive award of $3,496,675 (172% of target)
- 2017-2019 Performance Share Program incentive award of $13,166,879 (134% of target)

For the 2019 incentive payouts, the Committee excluded, among other items, the $1.3 billion gain from the sale of Gulf Power.

Report of the Compensation Committee

We met with management to review and discuss the CD&A. Based on that review and discussion, we recommended to the Board that the CD&A be included in this proxy statement.


John D. Johns
Chair


Anthony F. Earley, Jr.


David J. Grain


Donald M. James


Dale E. Klein

Southern Company 2020 Proxy Statement | 45

United Therapeutics

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

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

Executive Compensation

Letter from Our Compensation Committee Chairman

Dear Fellow United Therapeutics Shareholders:

STRONG PERFORMANCE UNDER CHALLENGING CIRCUMSTANCES

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

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

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

Our balance of cash, cash equivalents and marketable securities grew from $1.86 billion to **$2.25 billion**

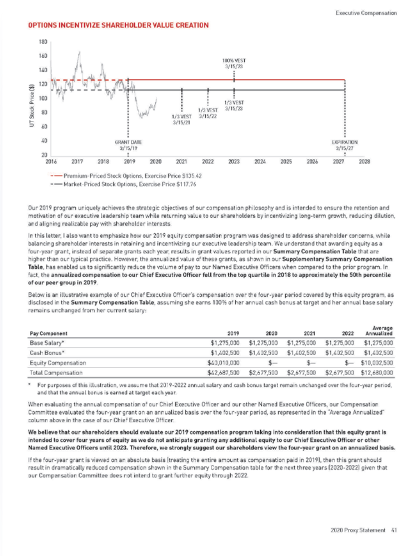
All of our advancements have continued to build a foundation and platform for future growth for our shareholders

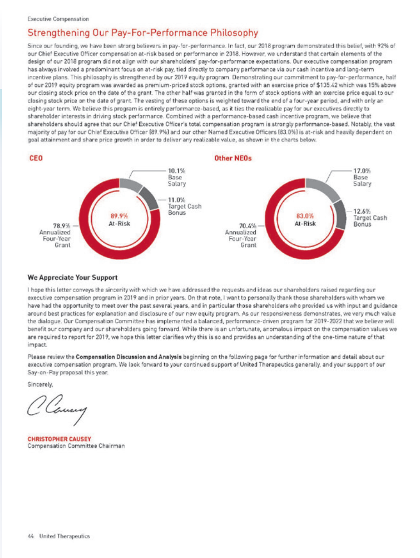
In 2018 and 2019, we faced our first — and what we anticipate to be temporary — revenue trough

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

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

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





Executive Compensation Overview

- Executive compensation highlights can be found in the proxy summary as well as in the executive summary of a proxy. Its purpose is to provide the reader with an at-a-glance view of the company's executive compensation.

Healthpeak Properties

COMPENSATION HIGHLIGHTS (PAGE 10)

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

PROXY SUMMARY

Compensation Highlights

Executive Compensation Program

In response to feedback from our stockholders through investor outreach and as a result of proactive internal efforts, we have established an executive compensation program consistent with evolving best practices. In 2019, we compensated our named executive officers ("NEOs") using the following three elements of pay:

	ELEMENT	FORM	METRICS AND WEIGHTING
	Base Salary	Fixed Cash	Base level of competitive cash to attract and retain executive talent
88% of CEO Pay is At-Risk Performance-Based Pay	**Annual Incentive Award**	Performance-Based Cash	**60%** Company objective performance metrics (quantitative results) to align compensation with strategic goals
			40% individual performance (qualitative results) to reward individual initiative and achievement
	Long-Term Incentive Award	Performance Stock Units	**60%** 3-year cliff vesting based on TSR performance relative to FTSE Nareit Equity Healthcare Index (40%) and S&P 500 REIT Index (20%) to align compensation with stockholder return and retain our executives, subject to a one-year post-vesting holding period
		Restricted Stock Units	**40%** 3-year annual vesting, subject to a quantitative normalized funds from operations ("FFO") per share performance hurdle and one-year post-vesting holding period, which promotes retention and alignment with stockholder interests

Consistently Positive Say-on-Pay Results

The Compensation Committee considers our annual say-on-pay vote results in evaluating our executive compensation program. We retain an open line of communication with our investors on our compensation practices and have consistently received high say-on-pay approval percentages.

Stockholder Approval Consistency

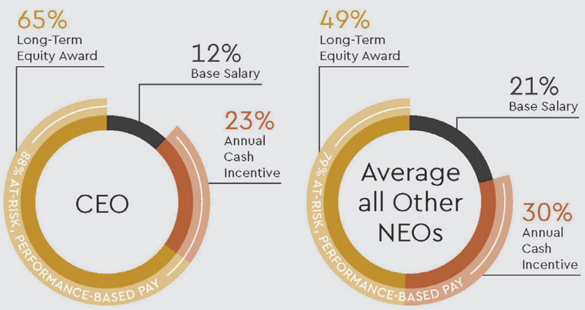
Three consecutive years of 90%+ stockholder approval of executive compensation

92.4%

3-Year Average Stockholder Support

Pay for Performance Alignment

Our 2019 executive compensation awards reflect our commitment to aligning pay with performance. Only base salary is fixed. Short-term incentive awards remain at risk until year-end corporate and individual performance is assessed by the Compensation Committee. Long-term equity incentive awards based on relative TSR performance remain at risk until the end of the 3-year performance period, and long-term retentive awards with 3-year annual vesting are at risk and earned only upon achieving a minimum normalized FFO per share threshold in the year of grant. The below graphics illustrate the mix of 2019 fixed pay (base salary) and at-risk pay incentives (cash incentive compensation and grant date fair value of equity awards granted during the year), presented at the Target level of performance, for our CEO and our other NEOs.

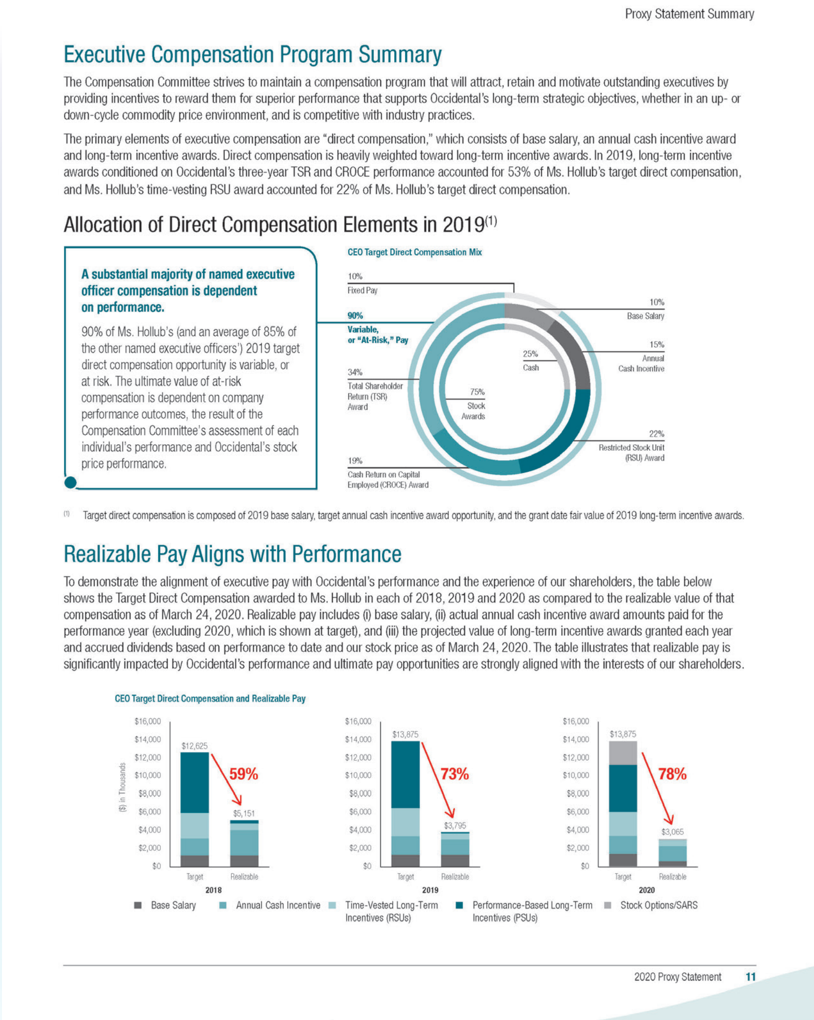


10 HEALTHPEAK PROPERTIES

Occidental Petroleum

EXECUTIVE COMPENSATION PROGRAM SUMMARY (PAGES 11-12)

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



Proxy Statement Summary

Executive Compensation Program Summary

The Compensation Committee strives to maintain a compensation program that will attract, retain and motivate outstanding executives by providing incentives to reward them for superior performance that supports Occidental's long-term strategic objectives, whether in an up- or down-cycle commodity price environment, and is competitive with industry practices.

The primary elements of executive compensation are "direct compensation," which consists of base salary, an annual cash incentive award and long-term incentive awards. Direct compensation is heavily weighted toward long-term incentive awards. In 2019, long-term incentive awards conditioned on Occidental's three-year TSR and CROCE performance accounted for 53% of Ms. Hollub's target direct compensation, and Ms. Hollub's time-vesting RSU award accounted for 22% of Ms. Hollub's target direct compensation.

Allocation of Direct Compensation Elements in 2019(1)

A substantial majority of named executive officer compensation is dependent on performance.

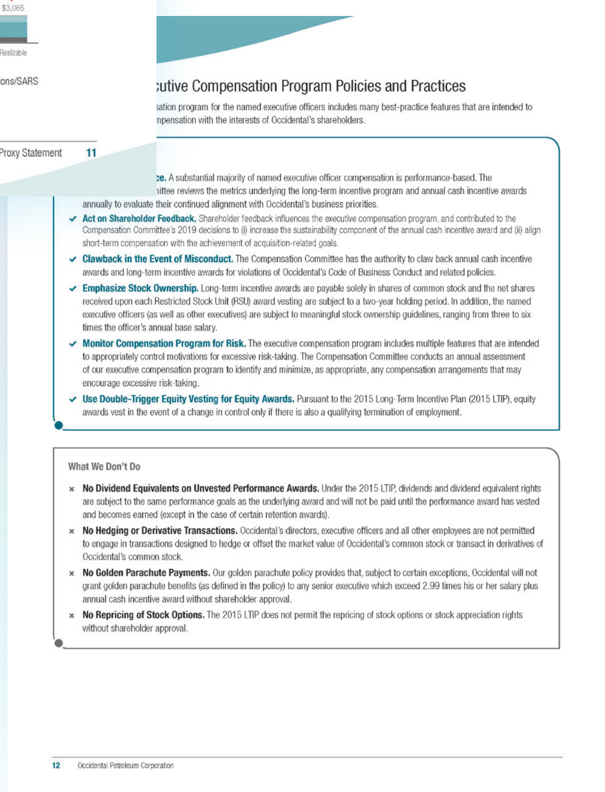
90% of Ms. Hollub's (and an average of 85% of the other named executive officers') 2019 target direct compensation opportunity is variable, or at risk. The ultimate value of at-risk compensation is dependent on company performance outcomes, the result of the Compensation Committee's assessment of each individual's performance and Occidental's stock price performance.

(1) Target direct compensation is composed of 2019 base salary, target annual cash incentive award opportunity, and the grant date fair value of 2019 long-term incentive awards.

Realizable Pay Aligns with Performance

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

2020 Proxy Statement 11



…cutive Compensation Program Policies and Practices

…sation program for the named executive officers includes many best-practice features that are intended to …mpensation with the interests of Occidental's shareholders.

- …ce. A substantial majority of named executive officer compensation is performance-based. The …ittee reviews the metrics underlying the long-term incentive program and annual cash incentive awards annually to evaluate their continued alignment with Occidental's business priorities.
- **Act on Shareholder Feedback.** Shareholder feedback influences the executive compensation program, and contributed to the Compensation Committee's 2019 decisions to (i) increase the sustainability component of the annual cash incentive award and (ii) align short-term compensation with the achievement of acquisition-related goals.
- **Clawback in the Event of Misconduct.** The Compensation Committee has the authority to claw back annual cash incentive awards and long-term incentive awards for violations of Occidental's Code of Business Conduct and related policies.
- **Emphasize Stock Ownership.** Long-term incentive awards are payable solely in shares of common stock and the net shares received upon each Restricted Stock Unit (RSU) award vesting are subject to a two-year holding period. In addition, the named executive officers (as well as other executives) are subject to meaningful stock ownership guidelines, ranging from three to six times the officer's annual base salary.
- **Monitor Compensation Program for Risk.** The executive compensation program includes multiple features that are intended to appropriately control motivations for excessive risk-taking. The Compensation Committee conducts an annual assessment of our executive compensation program to identify and minimize, as appropriate, any compensation arrangements that may encourage excessive risk-taking.
- **Use Double-Trigger Equity Vesting for Equity Awards.** Pursuant to the 2015 Long-Term Incentive Plan (2015 LTIP), equity awards vest in the event of a change in control only if there is also a qualifying termination of employment.

What We Don't Do

- **No Dividend Equivalents on Unvested Performance Awards.** Under the 2015 LTIP, dividends and dividend equivalent rights are subject to the same performance goals as the underlying award and will not be paid until the performance award has vested and becomes earned (except in the case of certain retention awards).
- **No Hedging or Derivative Transactions.** Occidental's directors, executive officers and all other employees are not permitted to engage in transactions designed to hedge or offset the market value of Occidental's common stock or transact in derivatives of Occidental's common stock.
- **No Golden Parachute Payments.** Our golden parachute policy provides that, subject to certain exceptions, Occidental will not grant golden parachute benefits (as defined in the policy) to any senior executive which exceed 2.99 times his or her salary plus annual cash incentive award without shareholder approval.
- **No Repricing of Stock Options.** The 2015 LTIP does not permit the repricing of stock options or stock appreciation rights without shareholder approval.

12 Occidental Petroleum Corporation

Southern Company

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

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

CD&A At-a-Glance

KEY 2019 COMPANY HIGHLIGHTS

51.6% Total Shareholder Return

More than **$20 billion** increase in market capitalization

Adjusted EPS exceeded guidance range

72 consecutive years of dividends paid

Over **$2.5 billion** in dividends to stockholders

Reached major milestones on Plant Vogtle construction project

3 constructive rate case outcomes

18 consecutive years of dividend increases

Our Compensation Beliefs

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

Key Company Performance Metrics

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

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

* Peers are described on page 62.

Compensation Decisions for the CEO

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

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

Responsiveness to Ongoing Stockholder Engagement and Feedback page 47

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

Goal Rigor and Goal Setting Process page 49

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

Annual Change in Pension Value page 59

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

Presentation of Compensation Principles/Objectives/Philosophy

- There are a number of ways of presenting Compensation Principles/Objectives and Philosophy. Here are just a few examples.

Adtalem Global Education

PRINCIPLES OF EXECUTIVE COMPENSATION (PAGE 43)

https://www.sec.gov/Archives/edgar/data/730464/000120677419003408/atge_courtesy-pdf.pdf

PRINCIPLES OF EXECUTIVE COMPENSATION

The Compensation Committee uses the following Principles of Executive Compensation to assess Adtalem's executive compensation program and to provide guidance to management on the Compensation Committee's expectations for the overall executive compensation structure:

Principle	Purpose
Stewardship/Sustainability	• Reinforce Adtalem's purpose and long-term vision • Motivate and reward sustained long-term growth in shareholder value • Uphold long-term interests of all stakeholders (including students, employees, employers, shareholders and taxpayers) • Focus on sustaining and enhancing the quality and outcomes of education programs • Promote continued differentiation and expansion of Adtalem's programs
Accountability	• Ensure financial interests and rewards are tied to executive's area of impact and responsibility (division, geography and function) • Require timing of performance periods to match timing of employee's impact and responsibility (short-, medium- and long-term) • Emphasize quality, service and academic and career results • Articulate well defined metrics, goals, ranges, limits and results • Motivate and reward achievement of strategic goals, with appropriate consequences for failure • Comply with all legislation and regulation
Alignment	• Promote commonality of interest with all stakeholders (including students, employees, employers, owners and taxpayers) • Reflect and reinforce Adtalem's values and culture • Promote commonality of interests across business units, geography and up, down and across chain of command • Provide a balance between short- and long-term performance
Engagement	• Attract and retain high quality talent and provide for organizational succession • Provide market competitive total compensation and benefits packages at all levels • Promote consistent employee development at all levels • Motivate urgency, creativity and dedication to Adtalem's purpose • Clearly communicate the link between pay and performance
Transparency	• Clear communication of compensation structure, rationale and outcomes to all employees and shareholders • Simple and understandable structure that is easy for internal and external parties to understand • Reasonable and logical relationship between pay at different levels • Based on systematic goals that are objective and clear, with appropriate level of discretion

American Tower

OUR COMPENSATION APPROACH IN BRIEF (PAGE 35)

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

Our Compensation Approach in Brief

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

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

Colgate-Palmolive

COMPENSATION PHILOSOPHY (PAGE 30)

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

Compensation Philosophy

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

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

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

Exelon

COMPENSATION PHILOSOPHY AND OBJECTIVES (PAGE 39)

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

Compensation Philosophy and Objectives

The goal of our executive compensation program is to retain and reward leaders who create long-term value for our shareholders by delivering on objectives that support the Company's Value Proposition and strategic business objectives described above.

The Compensation Committee strives to set challenging financial performance targets that drive and motivate executives to achieve long-term success, shareholder value, and to help ensure key talent is retained. The Committee selects performance metrics that are tied to the Company's financial strategies and are proven measures of long-term value creation. Financial targets are based on our internal business plans and external market factors. Our executive compensation program has been designed to align the incentives of our high-quality leaders with the interests of our shareholders using metrics and goals directly linked to the Company's strategy and performance.

Each element of total direct compensation is based on market data, the executive's competencies and skills, scope of responsibilities, experience and performance, retention, succession planning and organizational structure of the businesses.

Objectives

Alignment with Shareholders
Compensation is directly linked to performance and is aligned with shareholders by having approximately 82% of NEO pay at risk in both short-and long-term incentives.

Market Competitive
Our NEOs' pay levels are set by taking into consideration multiple factors including the size and complexity of Exelon's business, peer group market data, internal equity comparisons, experience, succession planning, performance and retention.

Stock Ownership Guidelines
Executives are required to meet and maintain significant stock ownership guidelines. Since 2016, our CEO has been required to own 6x of his base salary, while other NEOs are required to own 3x of their base salary. All NEOs own at least 200% of their required stock ownership guidelines. See page 53 for details.

Manage for the Long-Term
The Board oversees management in alignment with the long-term interests of the Company and its shareholders. Our compensation program supports the execution of Exelon's Value Proposition over multi-year periods to drive the success of our long-term strategy.

Extensive Shareholder Engagement
We engage directly with shareholders and take responsive actions to improve our compensation programs based on year-round feedback.

Balance
The portion of NEO pay at risk rewards the appropriate balance of short- and long-term financial and strategic business results. The compensation program is structured to motivate measured, but sustainable and appropriate, risk-taking.

www.exeloncorp.com 39

Sanmina

SANMINA'S PAY FOR PERFORMANCE COMPENSATION PHILOSOPHY (PAGE 48)

http://s21.q4cdn.com/392851627/files/doc_financials/2019/2020-Proxy-Interactive-(1).pdf

Sanmina's Pay for Performance Compensation Philosophy

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

Presentation of Feedback & Responses on Shareholder Engagement

- It's important to show the process by which investors can leverage their position as shareholders to influence corporate decision making.
- In the following pages, we've included an example of how Jefferies presented their compensation program's Amended Plan (vs. Original Plan) that emerged from their shareholder engagement meetings.

Acuity Brands

STOCKHOLDER FEEDBACK AND RESPONSIVENESS (PAGE 37)

http://media.corporate-ir.net/media_files/IROL/13/130194/AR2019/pdf/AcuityBrands_NPS_WebVersion.pdf

Feedback/Response Chart

The Compensation Committee carefully considered the feedback from our stockholders following our "say on pay" vote in 2018 and compensation governance best practices in implementing the following changes to our executive compensation program in 2019:

Feedback/What We Heard	Response/What We Did
Concerns expressed regarding the integrity of the "pay-for-performance" compensation program as discretionary cash and equity awards were granted to NEOs while not achieving any of the established performance measures under the Cash and Equity Incentive Plans.	We amended our Annual Cash Incentive Plan which retains challenging performance measures that focus on annual improvement in various operational metrics, while also incorporating an additional performance measure (*adjusted ROIC*) that further evaluates management's ability to effectively manage the business during periods of challenging market conditions. We amended our Equity Incentive Plan, consistent with best practices within our peer group. NEO awards are now based on the median target award for similarly held positions at our peer group, where 50% of award consists of performance share units that are subject to the achievement of a three-year period measure (*adjusted ROIC*) and 50% of award consists of time-vesting restricted share units.
Multi-year performance measures were preferred for portions of the equity incentives rather than a single-year measure.	We amended our Equity Incentive Plan to incorporate PSUs that are subject to the achievement of our *adjusted ROIC* measure over a three-year period.
Preference for performance measures other than Diluted Earnings Per Share (Diluted EPS) as such measure was deemed to be easily manipulated.	We eliminated Diluted EPS as a performance measure in both incentive plans.
Eliminate use of the same performance measure for the equivalent time period in both the Cash Incentive Plan and Equity Incentive Plan.	We eliminated one-year Diluted EPS as a performance measure under both incentive plans. We now have three operating measures as the primary operating performance measures for the Annual Cash Incentive Plan while utilizing one-year *adjusted ROIC* as a secondary performance measure. We incorporated a three-year period *adjusted ROIC* measure as a performance measure for our PSUs under our Equity Incentive Plan.
Enhance disclosures regarding how performance targets are established.	Additional information has been incorporated into our disclosures to better assist readers in understanding how we set our performance targets.
Maintain a compensation program that is not overly complex and burdensome to administer.	While we amended our compensation program based on stockholder feedback, we believe that such changes are not overly complex nor too burdensome to administer.

American Tower

STOCKHOLDER ENGAGEMENT (PAGE 33)

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

Stockholder Engagement

1 Scheduled meetings in 2019 with stockholders

We contacted stockholders which in aggregate represented over 67% of common stock outstanding.

2 Regular engagement with stockholders on a broad range of topics

2019 Discussion Topics included

- Performance
- Succession Planning and Board Refreshment
- Diversity and Inclusion
- Environmental, Social and Governance Matters
- Executive Compensation
- Political Contributions Disclosure

3 Report to Board of Directors

Senior management regularly updates each committee on relevant topics highlighting items discussed and feedback received during stockholder outreach campaigns.

4 Response

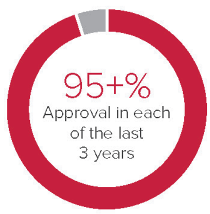
Examples of the feedback we received from our investors on executive compensation over the last few years, and how that feedback impacted compensation design are detailed below as well as under—Compensation Program Evolution

WHAT WE HEARD	HOW WE RESPONDED
Pay for performance	Reduced emphasis on individual performance and decreased payout at the threshold level in annual incentive program. Tied 100% of the annual incentive compensation of all the executive officers (80% for the CEO) to the performance of Company financial goals.
Align compensation to long-term stockholder value	Increased weighting of performance-based equity awards, included two performance metrics (ROIC[1] and Consolidated AFFO per Share[1] growth), incorporated a three-year performance period in our PSU program and eliminated stock options.
Improve communication and transparency	Focused on enhancing our disclosure, including use of graphics to improve our communications.
Align executives' interests with stockholders' interests	Implemented stock ownership guidelines for all executive officers, including increasing the holding requirement for our CEO.

5 Outcomes

Consideration of Most Recent "Say On Pay" Vote

Each year, the Committee considers the outcome of the advisory vote on our executive compensation program. Stockholders continued to show strong support of our executive compensation program, with over 97% of the votes cast for the approval of the "say-on-pay" proposal at our 2019 Annual Meeting of Stockholders. Given stockholder response, we made no significant changes to our executive compensation program in 2019.



(1) Definitions of non-GAAP financial measures and reconciliations to GAAP can be found in Appendix A.

CVS Health

EXECUTIVE COMPENSATION TOPICS DISCUSSED WITH STOCKHOLDERS (PAGES 38-39)

https://s2.q4cdn.com/447711729/files/doc_financials/2019/annual/FINAL-CVS-proxy-bookmarked.pdf

Executive Compensation Topics Discussed with Stockholders

Timing of Mr. Merlo's 2020 PSU award ▸ **See page 48 for details**	The MP&D Committee determined to accelerate the timing of the 2020 PSU award to our CEO. Mr. Merlo's 2020 PSU was awarded in August 2019 (the "August 2019 PSUs") in lieu of the annual PSU award that otherwise would have been made in 2020 to most effectively align his long-term incentives with the creation of stockholder value, the completion of the Aetna integration and the first phase of the Company's initiatives to transform health care. As a result, Mr. Merlo will not receive an annual PSU award in 2020. Further, the target value of the August 2019 PSU grant is unchanged from the target value of Mr. Merlo's 2018 and 2019 PSU grants. Investors did not raise any concerns with the MP&D Committee's decision to accelerate the grant of 2020 annual PSUs to our CEO to most effectively align his long-term incentives to our integration and other stated initiatives and were supportive provided that the award would be in lieu of and not in addition to an annual PSU award in 2020.
Simplification of long-term equity (PSUs) ▸ **See pages 46-48 for details**	Starting in 2019, the Company's compensation program includes a single PSU structure in place of the two forms of PSUs awarded in 2018. The overall long-term incentive compensation mix remains 75% PSUs and 25% stock options. The MP&D Committee determined to simplify our long-term equity compensation program structure in response to investor feedback and to most effectively align our PSUs to the shift in our business strategy. Investors told us the multiple forms of PSUs granted in 2018 were confusing.
Transparency and alignment in PSU metric selection and target setting ▸ **See page 44 for details**	The metrics selected by the MP&D Committee for the 2019 PSUs align with our shift in business strategy and commitment to reduce debt and are key to driving long-term sustained growth. The performance metric for the 2019 PSUs is 2021 Adjusted Earnings Per Share ("Adjusted EPS"), subject to two modifiers: 1) leverage ratio (adjusted debt to adjusted EBITDA), and 2) a relative total stockholder return ("rTSR") versus a selected peer group of S&P 500 health care and S&P 500 consumer staples companies (the "Relative TSR Peer Group"). The targets established for the Adjusted EPS and leverage ratio metrics for the 2019 PSUs are consistent with the guidance the Company has provided to investors and are clearly disclosed in this CD&A. While investors provided various views on metrics, feedback was consistent that we explain our rationale for the metrics selected and provide disclosure on targets. In addition, as a result of stockholder feedback, the maximum payout under the PSUs that will be granted in 2020 was reduced from 250% to 200% of the number of PSUs granted.
Transparency in calculation methodology for performance measures ▸ **See page 58 and Annex A for details**	To the extent non-GAAP performance metrics are included in our compensation program, we will include a reconciliation in the proxy statement to the most directly comparable GAAP financial measure in tabular form. See Annex A to this proxy statement. This commitment was made following feedback from investors that they would like us to include the methodology used for the calculation of any non-GAAP financial measures in the compensation program.

Recoupment/ Clawback policy ▸ **See page 56 for details**	In 2019, the Board amended our recoupment policy to include a commitment to transparency. Under our amended policy, which covers both fraud and material financial misconduct, we will publicly disclose the circumstances of any recoupment from any executive officer (to the extent doing so would not violate any law or contractual obligations). This change was put in place after discussions with a group of stockholders. Stockholders also requested additional disclosure regarding events that result in cancellation/forfeiture of equity awards.
Compensation peer groups ▸ **See pages 53-54 for details**	For 2019, the MP&D Committee used two peer groups as reference points for executive compensation, a Health Care and Retail Group and a General Industry Group (collectively, the "2019 Compensation Peer Groups"). This approach better reflects our evolving business following the Aetna acquisition, including our size, our diverse business segments and our international presence, which results in our NEOs' jobs having a greater level of complexity than similar roles at certain of our health care and retail comparator companies. No changes were made to the 2019 Compensation Peer Groups for 2020 other than to reflect applicable acquisition activity and changes in the membership of the 30 largest U.S. companies, irrespective of industry, but excluding banks. Stockholders requested enhanced disclosure of the MP&D Committee's selection of comparator companies in our compensation peer groups.

Southern Company

STOCKHOLDER OUTREACH AND SAY ON PAY RESPONSE (PAGE 47)

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

Stockholder Outreach and Say on Pay Response

We are committed to engaging with our stockholders year-round. Feedback from our stockholders has resulted in changes to our executive compensation program over time.

At our 2019 annual meeting, we received over 94% support of the votes cast on the Say on Pay vote. Though our Say on Pay results for 2019 continued to be very strong, we continued our stockholder outreach efforts through 2019 and early 2020, reaching out to the holders of about 50% of our stock. Since January 2019, we have had engagements with stockholders representing over 30% of our stock. An overview of what we heard from the engagements and how we have responded with respect to executive compensation matters is described below.

What We Heard	What We Did
Alignment between CEO pay and financial performance Consistent with the over 94% support for the 2019 Say on Pay vote, stockholders have expressed the following: ‣ Satisfaction with the 2018 payout decisions ‣ Support of the overall pay program designs ‣ A better understanding of the process used by the Committee for the evaluation of EPS adjustments and final determination of incentive compensation payouts ‣ Trust that the Committee will continue to act to ensure pay for performance alignment	✔ Committee continued to evaluate plan design to ensure that the programs are producing outcomes that are aligned with stockholders' interests and overall Company performance ✔ Committee continued to review all adjustments to earnings, whether positive or negative, to determine their appropriateness based on management control, materiality and overall impact to investors ✔ For the 2019 payouts, the Committee excluded, among other items, the $1.3 billion gain reflected in GAAP earnings from the sale of Gulf Power.
Linking CEO pay with GHG reduction goals ‣ Stockholders applauded the GHG reduction goals we set in April 2018 ‣ Stockholders expressed interest in the Company linking GHG reduction goals with CEO pay	✔ Committee added a new compensation metric for 2019 CEO compensation tied to the Company's GHG reduction goals ✔ Meaningful portion of CEO's 2019 long-term equity incentive award is aligned with the Company's GHG reduction goals, including quantitative measures consistent with our 2030 goal and qualitative measures to help us reach our 2050 goal ✔ Continued the GHG reduction goal as part of the CEO's long-term incentive award for 2020
Human capital management ‣ Interest from stockholders on succession planning for key executive positions	✔ Committee continued to focus on human capital management to ensure that we attract, motivate, reward and retain critical key talent for the enterprise ✔ Continued engagement and regular review sessions for CEO and senior management succession planning with the support of external consulting expertise

Jefferies

COMPENSATION DISCUSSION AND ANALYSIS OVERVIEW (PAGES 37-39)

https://www.sec.gov/Archives/edgar/data/96223/000120677420000678/jef_courtesy-pdf.pdf

Overview

This Compensation Discussion and Analysis ("CD&A") outlines how we, the Compensation Committee, determine how to set executive compensation for our executive officers. For 2019, as we noted earlier, the Compensation Committee decided to pay each of our executives a $3.25 million cash incentive bonus based on strong business and strategic results. Our executives will also receive a purely performance-based long-term incentive bonus of $4.5 million relating to compensation year 2018 because compounded ROTDE for the two-year period 2018 through 2019 was 12.03%. Because of the long-term performance nature of our plan, our executives continue to face a situation in which they may not receive long-term incentive RSUs for 2019 (see page 46).

Here we will outline for you the results of our TSR and ROTDE performance metrics (both explained in detail on page 44) and how those very stringent performance metrics are impacting our executives' compensation.

First, though, we want to briefly summarize the amendments described earlier. You may recall that, last year, following what can best be described as a series of constant shareholder engagement meetings that began in early 2018 and ended in early 2019, we made material changes to virtually every aspect of our executive compensation plan, the general result of which was to cut compensation, increase performance-metric thresholds and targets (thereby implicitly reducing compensation even further), and introduce relative performance measures to our TSR metric. The table below provides a summa changes for compensation year 2019.

Original Plan

BANKING IN EQUITY PLAN

Pro rata portions of the overall awards were allowed to be banked after the first and second years.

ABSOLUTE TSR MEASUREMENT

Absolute TSR measurement was employed with no relative modifiers.

Amended Plans

BANKING ELIMINATED

Banking has been eliminated, and our executives' entire equity compe will be based on a one-time measurement of three-year compounded from the beginning of fiscal year 2019 to the end of fiscal year 2021 for amended 2019 Plan.

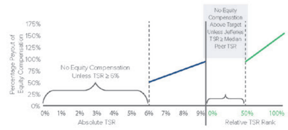
ADOPTED RELATIVE TSR MEASUREMENT

Because our shareholders wanted the use of relative TSR in our execu compensation program, we have amended our 2019 Plan in such a wa our executives cannot earn any equity portion of their compensation p three-year compounded TSR is less than 6%, can only earn targeted e compensation if three-year compounded TSR is equal to 9% and, even three-year compounded TSR is greater than 9%, can only earn greater targeted equity compensation if our three-year compounded TSR is fa relative to our peers as follows:

- If our three-year compounded TSR is less than the 50th percentile of peers, no matter how high our three-year compounded TSR might b executives will receive no additional equity compensation above tar
- If our three-year compounded TSR is greater than the 50th percentile our peers (i.e., the median), our executives will be eligible to receive additional 1.5% of target compensation for each 1 point increase in o relative TSR ranking versus peers

Original Plan

Amended Plans



So, in short, we crafted the amended 2019 Plan to avoid the situation in which (i) we suffer negative absolute three-year compounded TSR and (ii) such negative TSR is favorable compared to our peers, and (iii) our executives get paid despite the fact that our three-year compounded TSR is negative.

For illustrative purposes, assume for the first example that three-year compound TSR is any number less than 6%, but is at the 100th percentile compared to our peers. Despite that literally unbeatable relative TSR, our executives would not earn any equity compensation.

Assume for the second example, that our three-year compound TSR equals 35%:

Under our original plan, our executives would have received 150% of targeted equity compensation because our three-year compounded TSR would have exceeded the 12% performance threshold;

- But under our amended plan:
  - If our relative TSR calculation is any number at or below the 50th percentile of our peers, our executives will receive no additional equity compensation above target despite a 35% three-year compounded TSR;
  - If relative TSR equals the 60th percentile, our executives would receive 115% of targeted equity compensation (that is, a 1.5% increment for every 1 point percentile ranking increase over median)

PERFORMANCE TARGETS

Original Plan

ROTDE AND TSR

Threshold: 5%
Targeted: 8%
Capped: 12%

MORE STRINGENT PERFORMANCE TARGETS

ROTDE AND TSR

OVERALL AWARD MAGNITUDE

Targeted performance-based award of $25 million, made up of $16 million in long-term equity and $9 million in cash.

OVERALL AWARD MAGNITUDE REDUCED

Targeted performance-based award of $22.5 million (**10% decrease**), made up of $16 million in long-term equity and $6.5 million in cash (**28% decrease**).

This absolute reduction in targeted compensation is in addition to the fact that the increased threshold and targeted performance metrics could result in nearly a 17% reduction in compensation.

Original Plan

CASH PORTION OF AWARD

Cash long-term targeted performance award over three years of $9 million ($3 million per year), with a maximum cap of $13.5 million ($4.5 million per year) if compounded ROTDE is greater than 12%.

Amended Plans

CASH PORTION OF AWARD

Long-term cash award was replaced with a targeted single-year award that includes:

- A $6.5 million short-term cash incentive target
- Single-year performance award based upon ROTDE
- A potential 175% upside if ROTDE is greater than or equal to 12%
- Committee discretion to increase or decrease cash compensation, but in no event will any increase exceed 100% of target. Discretion will be guided by the following factors:
  - market changes that could not be anticipated
  - strategic acquisitions and divestitures
  - compliance record
  - public-relation issues
  - responses to business crises
  - responses to regulatory or litigation matters
  - responses to the need for diversity
  - responses to the need for sustainability
  - organizational effectiveness
  - succession planning
  - key personnel changes
  - other changes in circumstance that warrant increasing or decreasing executive annual short-term incentives

Presentation of Compensation Elements

- It's key that elements of compensation are presented in a clear and concise, easy-to-read layout.

Adtalem Global Education

2019 EXECUTIVE COMPENSATION FRAMEWORK (PAGE 44)

https://www.sec.gov/Archives/edgar/data/730464/000120677419003408/atge_courtesy-pdf.pdf

2019 EXECUTIVE COMPENSATION FRAMEWORK

Adtalem's fiscal year 2019 incentive compensation program for executives was designed to link compensation performance with the full spectrum of our business goals, some of which are short-term, while others take several years or more to achieve:

COMPENSATION SNAPSHOT

		Objective	Time Horizon	Performance Measures	Additional Explanation
Salary (cash)		Reflect experience, market competition and scope of responsibilities		Assessment of performance in prior year	
Annual Incentive (cash)	MIP	Short-term operational business priorities	1 year	• Revenue* • Earnings Per Share • Individual Goals	NEW Starting in 2019, individual goals for institutional leaders are 100% focused on performance measures relating to the institutions they lead.
Long Term Incentive (equity)	Stock Options	Reward stock price growth and retain key talent	4 year ratable	Stock price growth	• No grant to CEO in 2019 • Represents 40% of NEO LTI
	RSUs	Align interests of management and shareholders, and retain key talent			• No grant to CEO in 2019 • Represents 20-30% of NEO LTI
	ROIC PSUs	Reward achievement of multi-year financial goals, align interests of management and shareholders, and retain key talent	3 year	• ROIC • Stock price growth	• No grant to CEO in 2019 • Represents 30-40% of NEO LTI
	NEW FCF PSUs			• FCF per share • Stock Price Growth	

* A portion of the MIP payout for executive leadership of business segments and business units is also based on the revenue and operating income at such executive's business segment or business unit.

GE

2019 COMPENSATION FRAMEWORK: PRIMARY ELEMENTS (PAGE 32)

https://www.ge.com/sites/default/files/GE_Proxy2020.pdf

2019 COMPENSATION FRAMEWORK: PRIMARY ELEMENTS

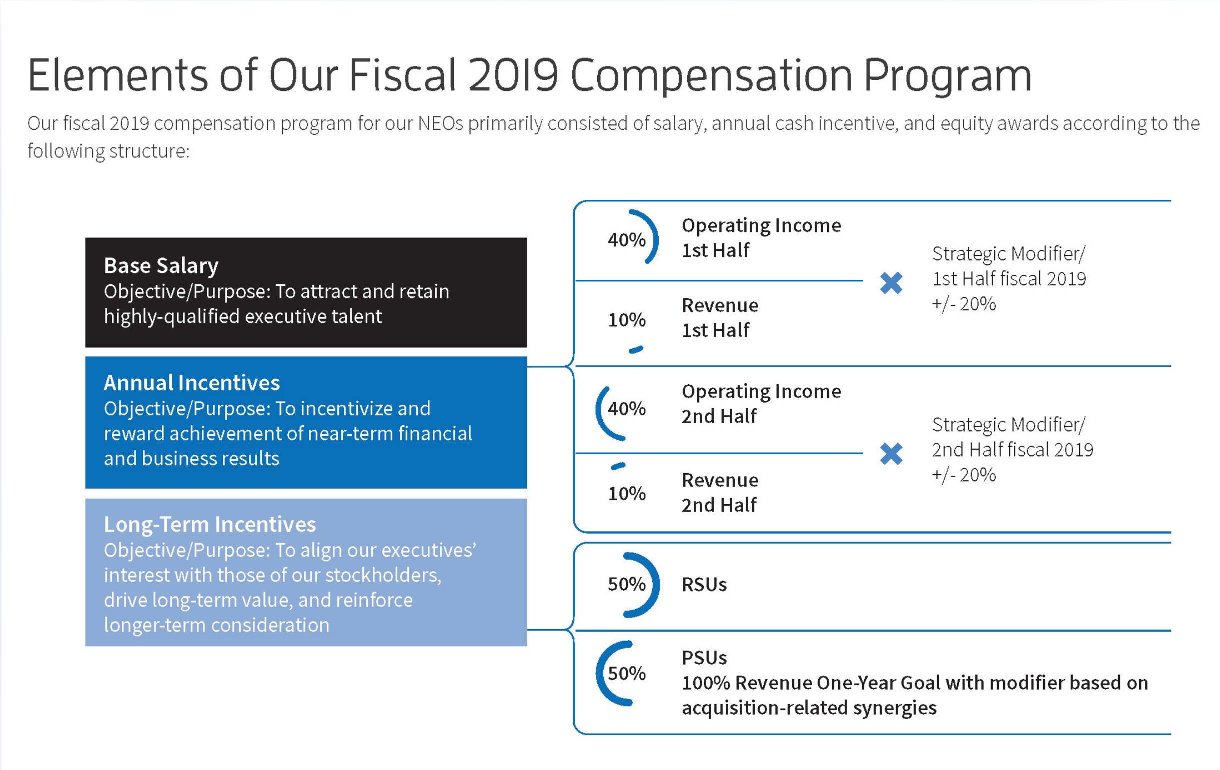
	SALARY	BONUS	PSUs	OPTIONS	RSUs
What is incentivized	Attract and retain top talent	Deliver on annual investor framework	Outperform peers	Increase stock price	Balance against excessive risk taking
Performance period	Ongoing	Annual	3-year performance period	Generally 3-year vesting period	
Performance measures		• EPS and Free Cash Flow (Corporate) • Earnings and Free Cash Flow (business levels) • Individual performance	GE TSR v. S&P 500*	Stock price appreciation	
CEO target pay mix	12%	17%	71%	0%	0%
Average other NEO target pay mix	18%	23%	39%	18%	8%

* Except PSUs granted to Vice Chairman and CEO, Aviation, David Joyce in 2019, 60% of which are tied to Aviation business goals.

Lumentum

ELEMENTS OF OUR FISCAL 2019 COMPENSATION PROGRAM (PAGE 29)

https://www.sec.gov/Archives/edgar/data/1633978/000120677419003314/lite_courtesy-pdf.pdf



Elements of Our Fiscal 2019 Compensation Program

Our fiscal 2019 compensation program for our NEOs primarily consisted of salary, annual cash incentive, and equity awards according to the following structure:

Mueller Water Products

COMPENSATION ELEMENTS (PAGE 33)

http://ir.muellerwaterproducts.com/~/media/Files/M/Mueller-Water-Products-IR/documents/2019-proxy-statement.pdf

Compensation Elements

The following table lists our primary elements of compensation. Each element is targeted at or about the regressed 50th percentile for comparable positions in the Peer Group.

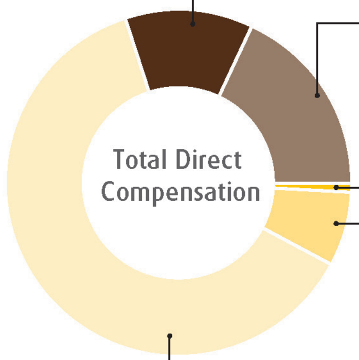
Pay Element	Salary	Bonus	RSUs	PRSUs
Who Receives	All NEOs			
When Granted	Generally reviewed every 12 months	Annually	Annually	Annually
Form of Delivery	Cash		Equity	
Type of Performance	Short-term emphasis		Long-term emphasis	
Performance Period	Ongoing	1 year	Generally vest annually over 3 years	Vest at the end of 3-year award cycles
How Payout Determined	Predominantly tied to Peer Group data, with an element of Compensation Committee discretion	Predominantly formulaic (based on performance against goals), with an element of Compensation Committee discretion	Completion of required service period through each vesting date	Formulaic (based on performance against goals) for specific performance periods
Performance Measures	—	Mix of 90% financial results / 10% EHS-related operational goals	Value of delivered shares based on stock price on vesting dates	RONA achievement

UPS

CENTRAL ELEMENTS OF UPS EXECUTIVE COMPENSATION (PAGE 34)

https://materials.proxyvote.com/Approved/911312/20200316/NPS_420939.PDF

Central Elements of UPS Executive Compensation



Base Salary 12%

- Fixed cash compensation
- Designed to provide an appropriate level of financial certainty

Annual Incentive Awards 16%

- Subject to achievement of key business objectives for the year
- Payout is substantially "at risk" based on Company performance
- 2/3 of any payout is in the form of Restricted Performance Units ("RPUs"), which vest one year after performance is achieved

Ownership Incentive Awards 1%

- Encourages executives to maintain substantial ownership of Company stock
- Value of award is based on equity ownership

Stock Option Awards 7%

- Further aligns shareowner and employee interests
- Motivates toward sustained stock price increase
- Multi-year vesting provides retention incentive

Long-term Performance Incentive Awards 64%

- Payout is subject to achievement of performance metrics over a three-year period
- Supports long-term strategy
- Motivates and rewards achievement of long-term goals
- Acts as a retention mechanism

Other Elements of Compensation

Benefits

- ✓ NEOs generally participate in the same plans as other employees.
- ✓ Includes medical, dental, and disability plans that mitigate the financial impact of illness, disability or death.
- ✓ See further details on page 40.

Perquisites

- ✓ Limited in nature and the benefits from providing perquisites outweigh costs.
- ✓ Includes financial planning and executive health services that facilitate the NEOs' ability to carry out responsibilities, maximize working time and minimize distractions.
- ✓ Considered necessary or appropriate to attract and retain executive talent.
- ✓ See further details on page 40.

Retirement Programs

- ✓ NEOs and most non-union U.S. employees participate in the same plans with the same formulas.
- ✓ Includes pension, retirement savings and deferred compensation plans.
- ✓ See further details on page 49.

Walgreens Boots Alliance

EXECUTIVE COMPENSATION PROGRAM (PAGE 8)

https://s1.q4cdn.com/343380161/files/doc_financials/2019/annual/2020-Annual-Meeting-of-Stockholders-and-Proxy-Statement.pdf

Executive Compensation Program

We believe we have a strong pay-for-performance philosophy, which seeks to link the interests of our executives with those of our stockholders. Accordingly, we emphasize variable and performance-based compensation over fixed or guaranteed pay.

NEW

In fiscal 2019, to maintain alignment of our executive compensation program with the objectives of our other stockholders and with then-current market practices for the compensation of executives, we increased the percentage of target long-term incentive compensation made in the form of performance shares from 50% to 70% for our senior executives other than Mr. Skinner.

Substantially all CEO compensation is comprised of long-term, performance-based equity incentives.

					Executive Participation		
			Metric	Objective	Stefano Pessina (CEO)	James Skinner (Executive Chairman)	Other Named Executive Officers
Fixed	Salary	Cash	Individual Performance	• Competitive fixed compensation to attract and retain talent	✗	✗	✓
At-Risk	Annual Incentive*	Cash	Adjusted Operating Income	• Incentive to achieve strong Company performance	✗	✗	✓
At-Risk	Long-Term Incentive*	**70%** Performance Shares	3-year Cumulative Adjusted EPS	• Rewards long-term Company performance • Links interests of the executives to the interests of stockholders	✓	**100%** Restricted Stock Units ✓ • Value varies with stock price • Three year cliff vesting	✓
At-Risk	Long-Term Incentive*	**30%** Stock Options	Stock Price		✓		✓

* Subject to individual performance modifier adjustments

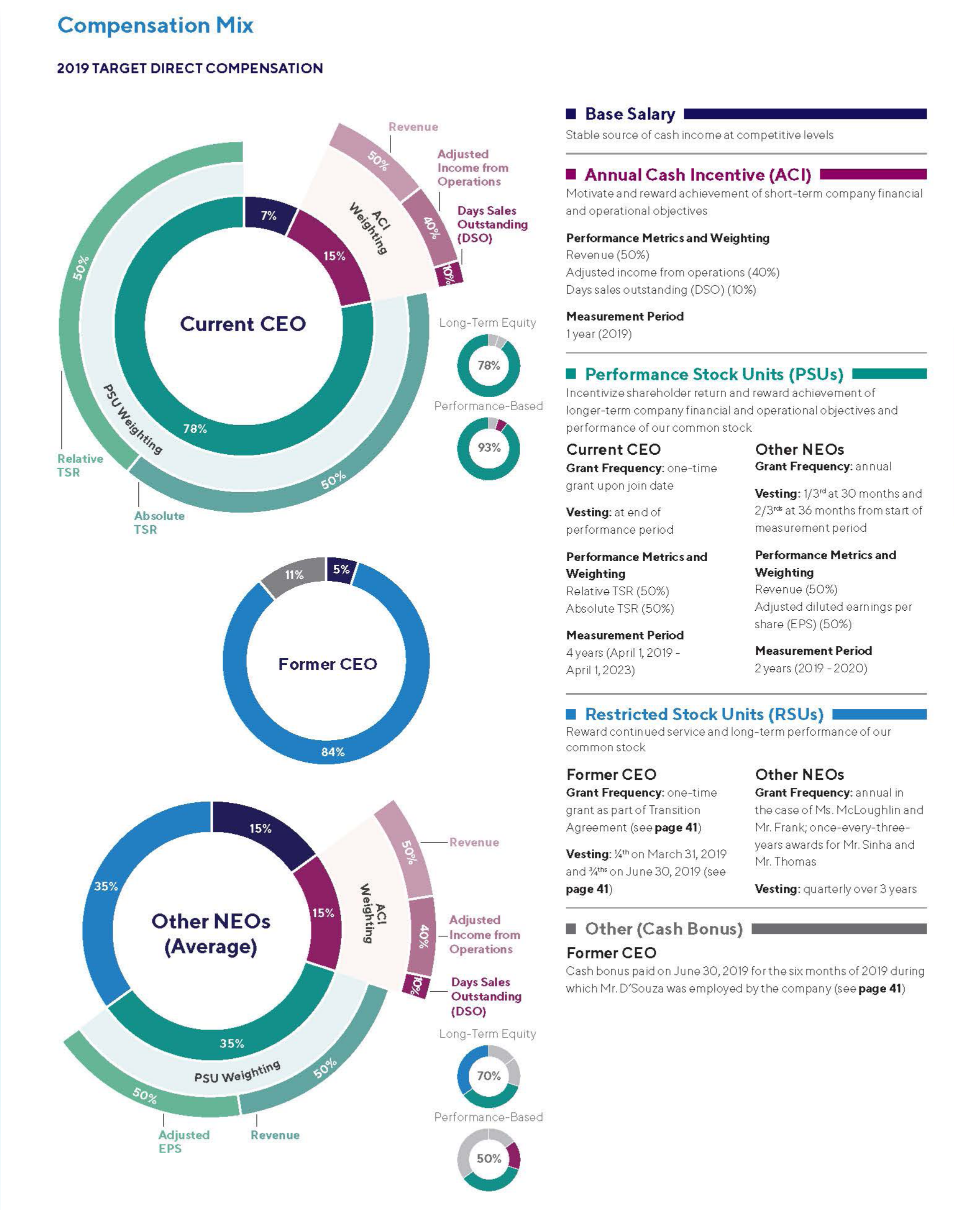
Presentation of Metrics Used in Incentive Programs

- The presentation of metrics featured within incentive programs can be done in a variety of ways.

Cognizant

COMPENSATION MIX (PAGE 29)

https://cognizant.q4cdn.com/123993165/files/doc_financials/2019/ar/Cognizant-2020-Proxy-Statement-(hyperlinked-book-layout).pdf



International Paper

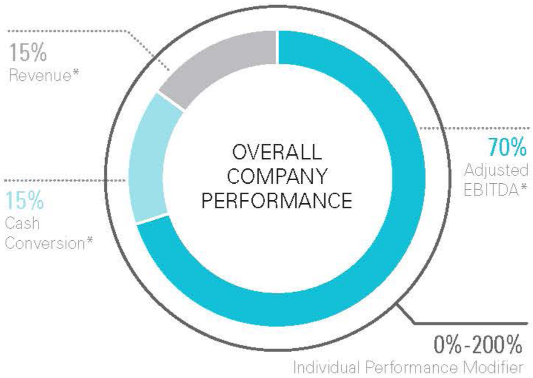
2019 INCENTIVE PLAN DESIGN OVERVIEW WITH METRICS AND WEIGHTINGS (PAGE 51)

https://s1.q4cdn.com/597881801/files/doc_financials/2020/ar/2020-Proxy-Statement-Web-Ready-PDF-FINAL.pdf

2019 Incentive Plan Design Overview with Metrics and Weightings

2019 Short-Term Incentive Plan

MANAGEMENT INCENTIVE PLAN (MIP) COMPONENT WEIGHTINGS



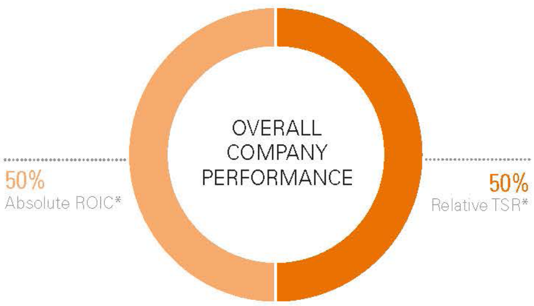
MANAGEMENT INCENTIVE PLAN PAYOUT SCALE

ALL METRICS:

Below Threshold (0% Payout)
Threshold (50% Payout)
Target (100% Payout)
Maximum (200% Payout)

2019-2021 Long-Term Incentive Plan

PERFORMANCE SHARE PLAN (PSP) COMPONENT WEIGHTINGS



PERFORMANCE SHARE PLAN PAYOUT SCALE

ROIC (50%)

Below Threshold (0% Payout)
Threshold (50% Payout)
Target (100% Payout)
Maximum (200% Payout)

RELATIVE TSR (50%)

Below 25th percentile (0% Payout)
25th percentile (25% Payout)
50th percentile (100% Payout)
At or above 75th percentile (200% Payout)

* See page 59 for definition.

Inclusion of the Evolution of the Company's Executive Compensation Program

- This enhancement demonstrates how companies/compensation committees focus on improving their compensation programs over a period of time.

American Tower

COMPENSATION PROGRAM EVOLUTION (PAGE 34)

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

Compensation Program Evolution

Our short- and long-term incentive compensation programs focus our leadership on key areas that drive the business forward and align to the short- and long-term interests of our stockholders. The Compensation Committee regularly reviews and discusses plan performance and considers many factors when electing to make plan changes for future incentive plans including results, market trends, feedback from their independent compensation consultant, and stockholder feedback. The table below shows the actions we have taken over the last five years to evolve and align the programs with stockholders' interests and feedback received.

PRE-2015	• Annual performance bonus was based on achievement of pre-established Company financial goals (total property revenue and Adjusted EBITDA[1]) (50% of target award) and achievement of pre-established individual goals and objectives (strategic, organizational development and operational) (50% of target award). The payout level at threshold was 75% of target • Long-term incentive compensation consisted of stock options with four-year vesting period (50% of target award) and time-based RSUs with four-year vesting period (50% of target award) • Stock ownership guidelines were based on a multiple of base salary for executive officers (five times base salary for the CEO and three times base salary for the executive officers directly reporting to the CEO) and a multiple of the annual cash retainer for non-employee Directors (five times annual retainer)
2015	• Changed mix of long-term incentive compensation: stock options with four-year vesting period (50% of target award); PSUs with three consecutive one-year performance periods (25% of target award) and time-based RSUs with four-year vesting period (25% of target award) • The performance metric for PSUs of AFFO per share[1] year-over-year growth rates was introduced
2016	• Increased weighting of annual performance bonus to achievement of pre-established Company financial goals (total property revenue and Adjusted EBITDA[1]) (80% of target award) and achievement of pre-established individual goals and objectives (strategic, organizational development and operational) (20% of target award). The payout level at threshold reduced to 50% of target • Changed long-term incentive compensation mix to no stock options; PSUs with three-year performance period (60% of target award) and RSUs with four-year vesting period (40% of target award) • Added another performance metric for PSUs to include ROIC[1] to complement Consolidated AFFO per Share[1] • Increased stock ownership guidelines to be based six times base salary for the CEO. In addition, executive officers were required to retain at least 50% of shares net of tax obligations until they meet the ownership requirements
2018	• Changed annual performance bonus to be based on achievement of pre-established Company financial goals (total property revenue and Adjusted EBITDA[1]) (100% of target award) for each of the NEOs, other than the CEO. For the CEO, annual performance bonus was changed to be based on achievement of pre-established Company financial goals (80% of target award) and achievement of pre-established individual goals and objectives (20% of target award) as agreed with the Committee • Changed long-term incentive compensation/succession planning to revise the vesting terms of PSUs to provide for a full payout in the event of a "Qualified Retirement," subject to certain conditions being met
2019	• Changed allocation of equity awards to be 70% PSUs and 30% RSUs for the CEO while the allocation for the other NEOs remained at 60% PSUs and 40% RSUs • Changed peer group for 2020 compensation decisions based on Company's significant growth in market capitalization, as well as the increased complexity and scope of our business and size of leadership team

FedEx

EXECUTIVE SUMMARY (PAGE 36)

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

Executive Summary

Fiscal 2019 was a year of both challenge and change for FedEx. We continued to focus on finding ways to improve efficiency and rationalize capacity, and we continued investing in critical, long-term projects, including the integration of TNT Express. During fiscal 2019, international macroeconomic conditions shifted and there was a slowdown in the global economy that, along with other factors, created a revenue shortfall for FedEx. As a result, fiscal 2019 adjusted consolidated operating income was below our threshold objective under our fiscal 2019 annual incentive compensation ("AIC") program. In response to the challenging business conditions, the fiscal 2019 AIC program was amended to provide that no officers or managing/staff directors across the enterprise, including the named executive officers, would receive an AIC payout.

Under our long-term incentive compensation ("LTI") program, which is tied to financial performance over a three-year period (fiscal 2017 through fiscal 2019 for the FY2017–FY2019 LTI plan), above-target payouts were earned in fiscal 2019 by all participants, including our named executive officers. We exceeded the earnings-per-share ("EPS") goal required for a target payout, as the company's strong adjusted EPS results in fiscal 2018 more than offset weaker than expected adjusted EPS results in fiscal 2019.

The following table, which details key compensation highlights of the last five fiscal years, demonstrates the pay-for-performance nature of our executive compensation program.

COMPENSATION HIGHLIGHTS

FY2015
- AIC plan paid below target
- No FY2013-FY2015 LTI plan payout

FY2016
- AIC plan paid below target (slightly below target payout for FedEx Express CEO)
- FY2014-FY2016 LTI plan paid at maximum

FY2017
- AIC plan paid below target
- FY2015-FY2017 LTI plan paid at maximum

FY2018
- AIC plan paid below target
- FY2016-FY2018 LTI plan paid at maximum

FY2019
- No AIC plan payout for named executive officers
- FY2017-FY2019 LTI plan paid above target

Tanger

SAY-ON-PAY APPROVAL PERCENTAGES SINCE 2015 (PAGE 18)

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

Based on the results of our advisory votes on the Company's NEO compensation and discussions held over the past several years, we have made a number of positive changes to our executive compensation program as summarized below:

2020	• No increase in compensation for NEOs compared to 2019 • Increased minimum share ownership guidelines for independent directors • Modified our peer group to better align the Company with peers of similar size
2019	• Reduced the grant date fair value of the CEO's equity compensation by approximately 21% • Further increased the allocation of performance-based equity awards for all NEOs to 60% • Reduced our CEO's time-based restricted common share awards by approximately $1 million in grant date fair value or 41% • Continued to impose a mandatory three-year holding period after vesting for equity grants made to the CEO, consistent with all awards subsequent to 2013
2018	• Further modified our annual OPP to a 67/33 split between relative and absolute TSR hurdles to further emphasize relative performance versus absolute performance • The Relative TSR component of the 2018 OPP was shifted from the use of a broader REIT index (SNL U.S. Equity Index) to that of an industry-specific index (FTSE NAREIT Retail Index), which is expected to more closely correlate with the performance of the retail REIT industry
2017	• Further condensed the number of metrics used in our annual cash incentive plan to 3 key financial performance objectives • Based approximately 87% of the CEO's total compensation on Company performance
2016	• Decreased the number of metrics used in the annual cash incentive plan from 8 financial performance objectives to 4 key financial performance objectives • Modified our annual OPP to a 50/50 split between absolute and relative TSR hurdles to be more heavily weighted towards relative performance hurdles • Modified CEO employment agreement to require a double-trigger for accelerated vesting of time-based restricted shares in connection with a change in control • Unlike the special grants awarded in connection with the CEO's 2012 employment contract amendment, we did not provide additional special awards in connection with the 2016 employment agreement
2015	• Adopted a robust anti-pledging policy • Increased the allocation of performance-based equity awards versus time-based awards

Presentation of Compensation Process

- There are a number of ways of presenting disclosure of compensation processes - from a step-by-step process to a timeline or a diagram.

Coca-Cola

2019 PERFORMANCE AT A GLANCE (PAGE 50)

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

TALENT AND COMPENSATION COMMITTEE INSIGHTS

When does the Committee review and make decisions regarding compensation and the Company's people and culture approach?

We have a robust annual cycle to plan, review and execute the executive compensation process, which includes year-round engagement with our shareowners. We intend to dedicate at least two meetings in 2020 to focus on our people and culture strategy and the corresponding impact on the performance of the Company.

When evaluating pay reported in the 2019 Summary Compensation Table against Company performance, it is important to consider the timing of compensation decisions and which performance period informs each of the annual and long-term incentive awards. For instance:

- Annual incentive awards reported for 2019 were decided in February 2020 and reflect Company and individual performance in 2019 (see **page 52**); and
- Long-term incentive awards reported for 2019 were granted in February 2019 and reflect the individual's potential to drive future growth (see **page 54**).

Below are highlights of the Committee's intended key agenda items for 2020:

JAN-MAR
- Evaluate prior year business performance, individual contributions and future potential of executives in order to determine individual compensation decisions
- Review robustness and rigor of target-setting for performance metrics for the upcoming year
- Review culture, leadership, talent strategy and progress against talent management and diversity metrics (e.g., succession, acceleration and retention of talent)
- Review global pay fairness

APR-JUN
- Discuss shareowner engagement activities and feedback
- Review results of say-on-pay advisory vote

JUL-SEP
- Review program design and align on changes to support the business strategy for the upcoming year, including ESG goals
- Evaluate and set compensation comparator group to be used for upcoming year

OCT-DEC
- Complete a risk assessment of all compensation programs
- Benchmark compensation programs and pay opportunity against the compensation comparator group
- Review progress against culture, leadership development and educational objectives; review workplace compliance with federal government requirements

CVS Health

EXECUTIVE COMPENSATION PLANNING AND REVIEW PROCESS (PAGE 52)

https://s2.q4cdn.com/447711729/files/doc_financials/2019/annual/FINAL-CVS-proxy-bookmarked.pdf

Executive Compensation Planning and Review Process

The MP&D Committee follows the framework below to review, discuss and approve all aspects of our executive compensation program.

The annual cycle of reviewing and developing the Company's executive compensation program and pay levels is a multi-step process that incorporates input from stockholders, input from management, compensation and relative TSR peer group information, consideration of say-on-pay results, and both short- and long-term Company results compared to objectives, as well as consultation with the MP&D Committee's independent compensation consultant.

Say-on-pay results
Management
Peer group information
Company results
Independent compensation consultant
Stockholder engagement

October

MP&D Committee Meeting

- Annual risk assessment of compensation programs
- Compensation peer groups and relative TSR peer group reviewed and established for executive compensation benchmarking
- Pay-for-performance alignment for prior year reviewed

November

MP&D Committee Meeting

- Total compensation market data for our executives reviewed
- Compensation policies reviewed
    - In 2019, we updated our Recoupment Policy
- Stockholder comments received on our executive compensation program reviewed

January

MP&D Committee Meeting

- Preliminary financial results reviewed
- Preliminary incentive award payouts for the completed fiscal year reviewed

CEO Performance Review

- The CEO presents a self-assessment of his performance against his Board-approved strategic, operational and financial goals
- The Chair of the Board and the MP&D Committee Chair meet with the independent directors privately to consider the CEO's performance
- MP&D Committee members consult with the independent compensation consultant and consider the independent directors' assessments in reviewing the CEO's total compensation and determining his annual incentive compensation award and equity compensation grants

February-March

MP&D Committee Meetings

Other NEOs Final Pay Decisions

- For NEOs other than the CEO, final decisions on actual incentive awards for the prior year are made in February after review of the CEO's assessment of individual executive contribution and performance; as described above, the CEO's performance is reviewed separately

Target Setting

- The MP&D Committee establishes financial targets and approves any base salary changes and individual target incentive award levels for the current performance year

Annual Cycle

Throughout the annual compensation cycle, MP&D Committee decisions incorporate and reflect our deep commitment to the Company's five core values: Innovation, Collaboration, Caring, Integrity, and Accountability.

Lockheed Martin

OUR DECISION-MAKING PROCESS (PAGE 40)

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

Our Decision-Making Process

The Compensation Committee seeks input from our CEO and other members of our management team as well as input and advice from an independent compensation consultant to ensure the Corporation's compensation philosophy and information relevant to individual compensation decisions are taken into account.

Independent Pay Governance

Independent Board Members

Review and approve compensation of the CEO and review and ratify compensation of other NEOs. Review with management, at least annually, the succession plan for the CEO and other senior positions.

Independent Compensation Consultant

Provides advice on executive pay programs, pay levels and best practices. Provides design advice for annual LTI vehicles and other compensation programs.

Independent Compensation Committee

Reviews and approves incentive goals relevant to NEO compensation. Reviews and approves the compensation for each NEO. Recommends CEO compensation to the independent members of the Board.

Stockholders & Other Key Stakeholders

Provide feedback on various executive pay practices and governance during periodic meetings with management which then is reviewed by and discussed with our independent Board members.

Role	Management	Chairman, President & CEO	Management Compensation Consultant[1]	Independent Compensation Consultant[2]	Compensation Committee	Independent Board Members
Peer Group / External Market Data and Best Practices for Compensation Design and Decisions	Reviews	Reviews	Develops	Develops/ Reviews	Reviews	—
Annual NEO Target Compensation	—	Recommends	—	Reviews	Approves	Ratify
Annual CEO Target Compensation	—	—	—	Advises	Recommends	Approve
Annual and Long-Term Incentive Measures, Performance Targets and Performance Results	Develops	Reviews	—	Reviews	Approves	Ratify
Long-Term Incentive Grants, Dilution, Burn Rate	Develops	Reviews	—	Reviews	Approves	Ratify
Risk Assessment of Incentive Plans	Reviews	Reviews	—	Develops	Reviews	—
Succession Plans	Develops	Reviews	—	—	—	Review

(1) Aon and Willis Towers Watson.

(2) Meridian Compensation Partners (Meridian).

Mastercard

ANNUAL COMPENSATION DECISION-MAKING PARTICIPANTS AND PROCESS (PAGE 74)

https://www.mastercardannualmeeting.com/assets/366567(4)_8_Mastercard_NPS_WR.pdf

Annual compensation decision-making participants and process

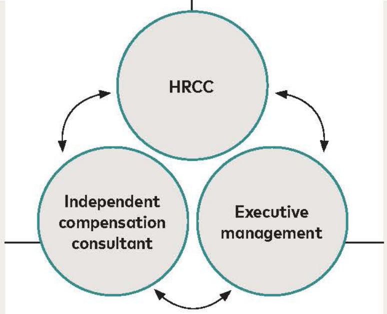
Participants in the compensation decision-making process

Role of the Human Resources & Compensation Committee

- Exclusive decision-making responsibility for all executive compensation matters with input from management and their independent consultant

Role of compensation consultant

- Attend all HRCC meetings
- Review and advise on all material aspects of executive compensation and plan design
- Report on executive compensation trends and best practices
- Participate in the goal-setting process for incentive compensation plans
- Assist with the development of peer group used for comparison of executive compensation
- Conduct market check of executive officer compensation relative to the peer group
- Test pay versus performance
- Provide advice with respect to non-employee director compensation



Role of executive management

- CEO, Chief Human Resources Officer and other members of management, as appropriate, attend HRCC meetings
- Responsible for designing and implementing executive compensation programs
- Recommend base salary, annual and long-term incentive awards for executive officers (excluding the CEO)
- Recommend incentive plan performance metrics and goals
- Present significant proposals that affect executive compensation
- The CEO is not present for discussions related to, and plays no role in, the setting of his own compensation

Omnicom Group

PROCESS FOR DETERMINATION OF OUR EXECUTIVE COMPENSATION: STEP-BY-STEP (PAGE 43)

http://s2.q4cdn.com/400719266/files/doc_financials/2019/ar/Proxy-Statement-(Webhosting-Final)[2].pdf

Compensation Decision Process

The Compensation Committee annually reviews and approves the compensation of the NEOs. To aid the Compensation Committee in making its compensation determinations, the Chief Executive Officer annually reviews the performance of each other NEO by evaluating the performance factors described in this Compensation Discussion and Analysis and presents his conclusions and recommendations to the Compensation Committee. The Compensation Committee considers the Chief Executive Officer's recommendations, but ultimately makes the final decision as to compensation determinations. With respect to 2019 compensation, the Compensation Committee did not deviate materially from our Chief Executive Officer's recommendations. Additional detail regarding the process used to set executive compensation targets, evaluate performance and determine payouts is provided in the below diagram.

Process for Determination of our Executive Compensation: Step-By-Step

STEP 1	**Base Salary** Compensation Committee sets base salaries – Mr. Wren's salary last increased 17 years ago
STEP 2	**Setting Performance Measures** Compensation Committee sets metrics and quantitative performance measures for meriting an Incentive Award with both short-term (cash bonus) and long-term components (PRSU/RSU)
STEP 3	**Determining Multipliers Based on Performance Range** Compensation Committee ascribes a range of predetermined multipliers based on the range of Omnicom performance with respect to each performance measure
STEP 4	**Setting Target and Maximum Incentive Award Dollar Amounts** Compensation Committee sets maximum and target Incentive Award dollar amounts
STEP 5	**Calculation of Incentive Award** Compensation Committee reviews Omnicom and peer group performance and calculates weighted score for each metric and final earned Incentive Award dollar amounts
STEP 6	**Adjustments Determined** Compensation Committee considers individual performance and any other factors deemed appropriate in order to determine whether to make adjustments to the calculated Incentive Award dollar amounts and approves final Incentive Award dollar amounts
STEP 7	**Allocation between Cash/Equity** Compensation Committee determines allocation of Incentive Award between cash and equity
STEP 8	**Allocate Portion of Incentive Award into Three-Year Performance Restricted Stock Unit Award That Is Eligible To Vest in 2023** For CEO/CFO, the Compensation Committee allocated a portion of each Incentive Award into PRSUs that are subject to further performance conditions over a three-year period from 2020 to 2022, and are eligible to vest in 2023
STEP 9	**Allocate Portion of Incentive Award into an Award of Time-Based Restricted Stock Units ("RSUs") to Other NEOs** For Messrs. Nelson and O'Brien, the Compensation Committee allocated a portion of each Incentive Award into an Award of RSUs that vest over a five-year period

Walmart

WHAT IS THE COMPENSATION SETTING PROCESS? (PAGE 47)

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

What is the compensation setting process?

This chart summarizes the process and analyses the CMDC considers when setting executive compensation and validating our pay targets. The CMDC's independent compensation consultant, Pay Governance, performs various pay-for-performance analyses for the CMDC.

	Data Source/ Responsibility	Purpose	How it's Used
SEP–JAN Review of Annual and Long-term Business Plans	• Board • SPFC • CMDC • Management	Establish performance metrics aligned with annual operating plan and long-term objectives	To review choice of incentive metrics and ensure they support our long-term strategic transformation and drive results tied to shareholder value
NOV Pay for Performance Alignment	• Independent compensation consultant • Publicly available compensation information	Evaluate pay-for-performance alignment of CEO compensation with performance relative to peers	To assess the reasonableness of CEO pay, Pay Governance conducts: • Realizable pay analyses; • Analyses regarding the alignment of CEO pay and performance; • Analyses of the correlation between performance measures and shareholder return; and • Assessments of the difficulty of attaining performance goals
JAN Peer Group Benchmarking	• Independent compensation consultant (for CEO) • Publicly available compensation information for peer group	Setting pay and establishing Target TDC opportunity	Benchmarking data is used as a general guide to setting appropriately competitive compensation consistent with our emphasis on performance-based compensation To set our NEOs' target TDC at competitive levels relative to our peer groups
Individual Performance Assessments	• Board • CMDC • CEO (for other NEOs) • Global People Division	Evaluate individual performance for purposes of pay decisions	To determine merit increases (if any) and adjust individual award opportunities for the next award cycle
Tally Sheets	• Global People Division	Evaluating total compensation and internal pay equity	Tally sheets: • Summarize the total value of the compensation realizable by each NEO for the upcoming fiscal year; • Quantify the value of each element of that compensation, including perquisites and other benefits; and • Quantify the amounts that would be owed to each NEO upon retirement or separation from our company
FEB–MAR Company Achievement of Prior Year Performance Goals and Setting of Current Year Incentive Goals	• Independent compensation consultant (for goal difficulty) • CMDC • Management	Assess current year company performance against financial and operating metrics	To determine award payments for the recently completed fiscal year and set target levels for following year To assess the ease or difficulty of attaining performance goals and whether adjustments need to be made to incentive metrics for the following award cycle To establish incentive goals for current year that support our strategic transformation and are aligned with operating plan and financial guidance
ONGOING Shareholder Outreach	• Board • Management	Obtain investor feedback on our executive compensation program	To understand investor expectations and monitor trends in executive compensation; used to evaluate compensation policies, practices, and plans • Shareholder feedback helps inform our executive compensation program design

Presentation of Peer Groups

- The presentation of peer groups is usually presented as a listing of companies. However, some companies are providing greater detail around the process for selecting peer groups.

CSX

FACTORS CONSIDERED IN DETERMINING EXECUTIVE COMPENSATION (PAGE 35)

https://s2.q4cdn.com/859568992/files/annual/CSX-Corp-Proxy-Statement-2020.pdf

In keeping with past practices, the Committee developed a customized comparator group for 2019 comprised of 14 primarily U.S.-based companies and North American railroads (the "Comparator Group") to help guide executive compensation decisions at CSX. The Committee annually assesses and approves the Comparator Group to ensure that it reflects market characteristics comparable to those of the Company, including revenue, assets, net income, market capitalization, number of employees, industry type and business complexity. In addition, the Committee reviews the degree of overlap with proxy advisory peer companies. As a result of its review, the Committee approved the Comparator Group for 2019.

2019 COMPARATOR GROUP

All Values as of December 31, 2019

Jefferies

PEER SELECTION (PAGES 42-43)

https://www.sec.gov/Archives/edgar/data/96223/000120677420000678/jef_courtesy-pdf.pdf

Spurred by shareholder feedback in 2018 and 2019 that specifically touched on our peer-group selection process, last year we carefully re-examined our historical peer group, which resulted in dropping two names from our historical list and adding four more. Assisted by Mercer, we sought to identify carefully those companies by using the following criteria:

KEY CRITERIA WHEN IDENTIFYING COMPARATORS FOR PEER GROUP

- ✔ Companies we primarily compete with for Investment Banking and capital markets business
- ✔ Companies engaged in alternative asset management and long-term principal investing
- ✔ Companies primarily driven by human capital and with which we generally compete for talent
- ✔ Companies headquartered in New York City and that also have a global business footprint similar to ours
- ✔ Companies with executive officers who, like ours, are not only the most senior leaders who guide the business to success, but also are front-line dealmakers, traders and/or investors, whose acumen and relationships would significantly contribute directly to their respective business's bottom line even if they were not also the most senior leaders

Our selected peer group also represents companies the businesses of which have a fair amount in common with our businesses and, hence, are reasonably comparable for purposes of relative performance:

Competition for Clients and Market Share	• We identified companies we encounter on a day-to-day basis when we compete for Investment Banking assignments and capital markets business and for rankings on industry league tables, as well as those companies from which we take market share in the equities and fixed income businesses.
Principal Investing and Alternative Asset Management	• We targeted companies with which we compete in our Merchant Banking efforts, where such businesses entail making smart, long-term investments, focusing in particular on those companies where senior executives actively source, evaluate, and negotiate significant investments, as well as oversee and direct ongoing value creation of investee companies. • As it pertains to our alternative asset management business, we also identified companies against which we vie for management teams and investor dollars.
Human Capital-Based Companies and Competitors for Talent	• We identified those companies from which we might seek replacements for our top executives or to which our top executives might be recruited away from us. • This group is a set of highly accomplished firms with highly compensated executives, many of whom are paid significantly more than our executives, particularly when carried interest payments, founder's shares and other similar forms of compensation are taken into account.
Location	• With respect to headquarters and geographical scope, we operate and compete in an industry that is centered in the financial capital of the world, New York City. • Twelve out of fourteen names on our peer list are headquartered in New York City and, as we do, operate globally.
Our "Founders" and Player/Coaches	• We, our clients, ratings agencies and many shareholders think about our two most senior leaders as "founders" and player/coaches. Our top two executives did not literally found our firm, but they have completely reshaped and redirected both the legacy Jefferies Group and legacy Leucadia. • Dedicating on a combined basis almost 50 years of their lives, our CEO and President have propelled Jefferies from the narrowly focused equities shop it was before our CEO joined to what it has become today, growing and succeeding through, among other things, the challenges of 2001 - 2002, the 2008 - 2009 financial crisis, the late-2011 bear raid on Jefferies Group, and the reverse combination with Leucadia in 2013. • And in doing so, our executives have been and continue to be the ultimate player/coaches who are "hands on" and who (i) bring significant revenue-generating opportunities to us because of their deep relationships; (ii) successfully and personally support Investment Banking pitches to fruition and execution; (iii) guide our sales-and-trading businesses; and (iv) invest our shareholders' dollars in high-return opportunities and oversee the growth and realization of these investments. • Thus, when we seek comparators, we try to find companies that have transformational player/coaches at the helm and that have characteristics relevant to the compensation of such highly productive player/coaches.

epresent a reasonable and realistic list of firms that meet the appropriate criteria for comparators. ndicates how we view those criteria in relation to our peers. It bears noting that the Compensation considered, but rejected, as comparators companies substantially in retail financial services (retail retail stock brokerage, consumer lending, or credit-card processing). Those retail financial services what we do and are wholly noncompetitive to our business model.

	Competition for Clients and Market Share	Principal Investing and Alternative Asset Management	Human Capital-Based Companies and Competitors for Talent	Location	Executive Player/Coaches
ding L.P.	●	●	●	●	
ment, LLC		●	●	●	●
		●	●	●	●
L.P.		●	●	●	●
		●	●		●
	●		●	●	●
The Goldman Sachs Group, Inc.	●	●	●	●	●
KKR & Co. Inc.		●	●	●	●
Lazard Ltd	●		●	●	
Loews Corporation		●	●	●	
Moelis & Company	●	●	●	●	●
Morgan Stanley	●	●	●	●	
PJT Partners Inc.	●	●	●	●	●
Stifel Financial Corp.	●		●		

The following table details relevant financial data of our selected peers:

Company Name	Revenue[1] ($MM)	Market Cap[2] ($MM)	Assets[1] ($MM)	Total Shareholder Return CAGR[2] One Year (%)	Three Year (%)	Five Year (%)
AllianceBernstein Holding L.P.[3]	$3,576	$2,781	$8,706	4%	19%	11%
Apollo Global Management, Inc.	$2,833	$9,744	$8,542	65%	40%	21%
BlackRock, Inc.	$14,539	$76,797	$159,573	19%	13%	9%
The Blackstone Group Inc.	$7,139	$35,750	$32,586	68%	37%	18%
The Carlyle Group Inc.	$3,377	$3,495	$13,809	73%	32%	10%
Evercore Inc.	$2,009	$3,024	$2,126	-4%	7%	11%
The Goldman Sachs Group, Inc.	$35,481	$78,377	$993,000	18%	2%	5%
KKR & Co. Inc.	$8,077	$16,233	$60,899	31%	28%	10%
Lazard Ltd	$2,586	$4,058	$5,664	2%	6%	0%
Loews Corporation	$14,931	$15,140	$82,243	6%	5%	5%
Moelis & Company	$747	$1,627	$914	-11%	14%	8%
Morgan Stanley	$41,419	$80,088	$853,531	15%	9%	9%
PJT Partners Inc.[4]	$718	$984	$672	-9%	14%	—
Stifel Financial Corp.	$3,275	$4,275	$24,520	31%	9%	6%
Jefferies Financial Group	$5,359	$6,267	$49,460	5%	3%	1%
Ranking Relative to Peers	7 of 15	8 of 15	6 of 15	10 of 15	14 of 15	13 of 14

(1) Revenue and Assets reflect the most recent fiscal year disclosure as of January 31, 2020.
(2) Market Cap figures and Total Shareholder Return compound annual growth rates (CAGR) are as of JEF's fiscal year-end (November 30, 2019) and are calculated using Capital IQ's methodology.
(3) Revenue and assets represent the values of Alliance Bernstein L.P., while Market Cap and TSR are for AB Holding L.P.
(4) PJT Partners Inc. became publicly traded after November 30, 2014 so no five-year TSR CAGR is shown.

Walmart

HOW IS PEER GROUP DATA USED BY THE CDMC? (PAGE 48)

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

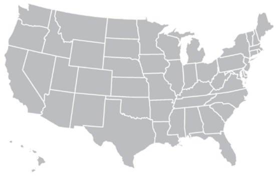
How is peer group data used by the CMDC?

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

CEO Compensation Peer Group Screening Methodology

Geography Screen

U.S.-headquartered companies



Ownership Screen

Publicly traded

Excluded private companies

Scope & Industry Screen

Revenue: >**$75B**, or
Market Cap: >**$75B** (with revenues >**$50B**), or
Retailer: >**$50B** revenues

Founder Screen
Excluded companies whose current CEO is the founder

42 Peer Companies

Applying this methodology, our new peer group consisted of the following 42 companies when setting fiscal 2020 compensation in January 2019:

AmerisourceBergen Corporation	Costco Wholesale Corporation	Johnson & Johnson	Target Corporation
Anthem, Inc.	CVS Health Corporation	JPMorgan Chase & Co.	UnitedHealth Group Incorporated
Apple Inc.	DowDuPont Inc.	The Kroger Co.	United Technologies Corporation
AT&T Inc.	Express Scripts Holding Co.	Lockheed Martin Corporation	United Parcel Service, Inc.
Bank of America Corporation	Exxon Mobil Corporation	Lowe's Companies, Inc.	Valero Energy Corporation
The Boeing Company	Ford Motor Company	McKesson Corporation	Verizon Communications Inc.
Cardinal Health, Inc.	General Electric Company	Microsoft Corporation	Walgreens Boots Alliance, Inc.
Caterpillar Inc.	General Motors Company	PepsiCo, Inc.	The Walt Disney Company
Chevron Corporation	The Home Depot, Inc.	Pfizer Inc.	Wells Fargo & Company
Citigroup Inc.	International Business Machines Corporation	Phillips 66	
Comcast Corporation	Intel Corporation	The Procter & Gamble Company	

Presentation of Goals & Performance

- The presentation of goals and performance is best explained by using a table. Incorporating graphics and icons also helps make a more visually appealing presentation.

American Tower

REVIEW OF 2019 CEO PERFORMANCE (PAGE 47)

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

The Committee assessed the CEO's individual achievements during the year against the following four pillars of the Company's Stand and Deliver strategy:

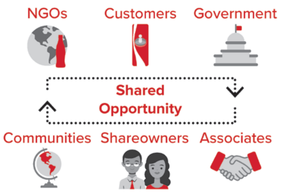
PILLAR	METRICS MEASURED BY COMMITTEE	CEO PERFORMANCE ACHIEVEMENTS
Lead wireless connectivity around the globe	• Advance the Company's position as a global leader in the industry • Expand business relationships with tenants	✓ The Company's market capitalization crossed the $100 billion threshold and its one-, three- and five-year TSR exceeded the S&P 500 ✓ Enhanced relationships with key tenants to drive business initiatives ✓ Elevated the Company's stature with key government contacts in the U.S. and abroad, including through co-chairing the Department of Commerce's U.S.-India CEO Forum
Innovate for a mobile future	• Explore broader opportunities to elevate and extend the Company's growth in shared communications infrastructure • Participate in development/testing of new technologies and energy alternatives • Support of regional innovation team pilots/projects	✓ Advocated indoor solutions through industry associations and advanced edge compute solutions to other leading innovative companies ✓ Reduced emerging markets' generator run time below 12% of total operating hours ✓ Launched novel pilot innovation projects and pursued new tenant opportunities to use existing and new architecture
Drive efficiency throughout the industry	• Meet targeted profitability and cost savings goals • Develop and apply intellectual and organizational capital to maximize performance of asset base	✓ Oversaw efficiency initiatives to maximize financial performance of our asset base as evidenced by exceeding targets for Adjusted EBITDA(1), Selling, General, Administrative and Development Expense and Total Cash Revenue
Grow our assets and capabilities to meet customer needs	• Pursue attractive acquisitions in existing and select new markets within a disciplined capital allocation program • Deliver high-performing core assets	✓ Guided investment committee through acquisition initiatives to drive long-term results, including increasing our portfolios in Africa, Latin America and Europe

(1) Definitions of non-GAAP financial measures and reconciliations to GAAP can be found in Appendix A.

Coca-Cola

2019 PERFORMANCE AT A GLANCE (PAGE 49)

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

Strategic Priorities	2019 Progress
Disciplined Portfolio Growth 	• Continued to gain value share in total nonalcoholic ready-to-drink beverages on a global basis by gaining value share in 85% of our key markets. • Trademark Coca-Cola grew retail value 6% for the second consecutive year, supported by contributions from innovations such as Coca-Cola with Coffee, which launched in 35 additional markets in 2019. • Introduced Coca-Cola Energy in more than 45 markets. • Completed the acquisition of Costa Limited ("Costa"), a coffee company with retail stores in more than 30 countries; acquired full ownership of C.H.I. Limited ("CHI"), an innovative, fast-growing leader in expanding beverage categories, including juices, value-added dairy and iced tea in West Africa. • Continued to lift, shift and scale brands around the world with strong global growth in smartwater, which launched in eight additional markets in 2019, and scaled the innocent brand beyond its flagship market of Europe, with a launch in Japan during 2019.
Aligned and Engaged System  	• The Coca-Cola system achieved its largest global value share gains in almost a decade. • Executed revenue growth management strategies (analytical processes to deliver the right brand and package at the right price in each channel and market to drive revenue growth) in 15 additional markets in 2019 as the system continued to focus on value over volume. • The Coca-Cola North America system has invested nearly $750 million over the past three years to support its innovation and revenue growth management agenda, including expanding availability of popular mini-cans, which again grew double digits in 2019.
Winning with our Stakeholders  	• Bottles made from 100% recycled PET were available in 12 markets in 2019; Coca-Cola Sweden announced it would be the first market in the world to transition to 100% recycled PET for all plastic bottles made in-country. • Announced a new science-based carbon emissions reduction target: By 2030, the Company aims to reduce its total carbon emissions across its full value chain 25% below where they were in 2015, aligned with the goals of the Paris Agreement. • Used nearly 30% recycled plastic across total portfolio of PET bottles in Western Europe. • Invested $19 million in a new bottle-to-bottle recycling facility in the Philippines. • In the United States, teamed with partners and major competitors to launch the "Every Bottle Back" program, which includes a new, $100 million industry fund that will be used to improve sorting, processing and collection in areas with the biggest infrastructure gaps to help increase the amount of recycled plastic available to be remade into beverage bottles.

Gilead Sciences

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

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

Former Named Executive Officer[1]	2019 Target Bonus Opportunity (as a percentage of base salary)
Mr. Alton	100%
Ms. Washington	100%
Ms. Hamill	100%
Dr. McHutchison	100%

[1] Ms. Hamill and Dr. McHutchison were not eligible to receive a 2019 bonus.

Corporate Performance Objectives and Achievements for 2019

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

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

Performance Target		2019 Results
40% Build Pipeline For the Future		Performance Factor: 120% of Target — Results: 48%
CORPORATE DEVELOPMENT	• Expand our pipeline of pre-clinical and clinical programs through partnerships and acquisitions.	• **We completed 27 partnership and investment transactions to enhance the research and development pipeline across therapeutic areas.**
RESEARCH	• Recommend seven compounds for development.	• We recommended seven compounds for development a… multiple therapeutic areas.
HIV	• File supplemental New Drug Application ("sNDA") for Descovy PrEP by Q2 2019. • Initiate Phase 1a studies for TAF long acting drugs.	• Submitted sNDA in Q2 2019 with final approval receive… Q4 2019. • We initiated Phase 1a study with TAF external program i… September 2019; received "Safe to Proceed" notificatio… FDA and initiated Phase 1a study with TAF internal progr… October 2019.
LIVER DISEASES	• Complete selonsertib Phase 3 data read out. • Complete Phase 2 NASH combination study for ATLAS and make Phase 3 initiation decision in Q4 2019.	• Selonsertib Phase 3 data read out did not support project continuation. • Received topline results from the Phase 2 ATLAS. Final determination for Phase 3 NASH initiation to be complet… 2020, behind schedule.
INFLAMMATION/ RESPIRATORY	• Advance the filgotinib program for rheumatoid arthritis.	• **We received 24-week data readout for filgotinib. Subm… NDA ahead of schedule. NDA is under priority review… the FDA.**
HEMATOLOGY/ ONCOLOGY	• File Investigational New Drug ("IND") application for Oral PD-L1 in Q2 2019. • First subject screened Phase 1 dose by Q3 2019.	• We submitted an IND application for Oral PD-L1 in May 2… with safe to proceed notification received in June 2019. • First patient screened in August 2019 and dosed in September 2019.
CELL THERAPY	• Complete enrollment in Phase 3 study for Yescarta (ZUMA-7). • Complete enrollment in Phase 2 study for Yescarta (ZUMA-5) by Q4 2019. • File biologics license application (BLA) for KTE-X19 by Q4 2019.	• **We completed enrollment for ZUMA-7, ahead of sched…** • **We completed enrollment for ZUMA-5, ahead of sche…** • We completed BLA submission for KTE-X19 in Q4 2019.

Performance Target		2019 Results
20% Launch and Support Products		Performance Factor: 130% of Target — Results: 26%
HIV	• Deliver on Biktarvy uptake.	• **Biktarvy is the most successful launch in the U.S. and is the number one prescribed regimen in both treatment-naïve and switch patients in the U.S.**
CELL THERAPY	• Enhance reimbursement for CAR T treatment. • Maintain current patient dose rate for Yescarta; file cell therapy marketing authorization application (MAA) in Q4 2019 and finalize design of viral vector manufacturing infrastructure in Q3 2019.	• Medicare coverage of CAR T therapy confirmed by Centers for Medicare Services (CMS) in the final national drug code issued in August 2019. • We maintained patient dose rate for Yescarta. Filed MAA in October 2019 and finalized design of viral vector manufacturing infrastructure on schedule.
HCV	• Launch authorized generics of Epclusa and Harvoni through Gilead's separate subsidiary, Asegua in Q1 2019. • Ensure broad access to Gilead HCV products; regain and grow patient share in the U.S.	• Asegua launched successfully with generic versions launched in Q1 2019. • U.S. market share exceeded expectations, while EU5 and Japan were in line with budget.
INFLAMMATION	• Increase awareness of filgotinib as a JAK-1 isoform.	• We successfully increased awareness of the association of filgotinib with JAK-1 through our outreach programs. • **Filgotinib launch preparations underway in the U.S., Europe and Japan.**
10% Develop Organizational Capacity		Performance Factor: 140% of Target — Results: 14%
EMPLOYEES AND CULTURE	• Through hiring and succession planning, ensure a strong, diverse talent pipeline is in place for critical roles. • Deliver against Gilead's diversity and inclusion goals.	• Identified and hired key roles to ensure a strong talent pipeline for critical roles. • Achieved internal diversity and inclusion goals, including appointing or hiring four diverse Executive Vice Presidents.
CORPORATE EFFICIENCY	• Establish and enhance corporate efficiency for key business areas.	• Identified and enhanced several infrastructure improvements that increased company-wide efficiency. Enhancements include the introduction of further collaboration infrastructure which reduced the need for travel and other sustainable improvements to the Foster City campus.
30% Drive Financial Results		Performance Factor: 120% of Target — Results: 36%
	Meet the 2019 financial performance targets as approved by the Board of Directors at the January 24, 2019 meeting: • Net product revenues • Total expenses • Free Cash Flow	• **Achieved net product revenues of $22.1 billion, which exceeded the budget and hit the higher end of guidance (which was raised in July 2019).** • Expenses were approximately 3% over budget. • **Free cash flow was 7.5% higher than budget.**
+/-10% UNPLANNED ACHIEVEMENTS		Results: 6%

Performance Target	2019 Results
• Completed leadership team buildout, including several external hires and internal appointments, which resulted in a new set of Named Executive Officers. Although periodic executive refreshment is to be expected, building out a new leadership team resulting in all new Named Executive Officers is a significant accomplishment. • Developed and communicated our new corporate strategy which focuses on expanding internal and external innovation, strengthening our portfolio strategy, increasing patient access and benefits and evolving our culture. • Expanded our collaboration with Galapagos which provides Gilead with access to Galapagos' pioneering research capabilities and an innovative portfolio of compounds, doubling our R&D footprint. • Launched RADIAN Initiative to meaningfully address new HIV infections and deaths from AIDS-related illnesses in Eastern Europe and Central Asia, in collaboration with the Elton John AIDS Foundation. • Descovy received U.S. approval for pre-exposure prophylaxis (PrEP) for people at-risk for contracting HIV. At the end of 2019, approximately 27% of individuals on PrEP in the U.S. were receiving Descovy.	
	Overall 2019 Corporate Performance Factor 130%

Based on the achievements described above, our Compensation Committee certified an overall corporate performance achievement of 130% of target. Our Board believes that our achievements in 2019 positioned us for future long-term growth. We are confident in the strong fundamentals in the HIV business and the potential growth of inflammation, both of which are long-term growth areas for us. We have strong operating margins, resulting in strong cash flows. Our solid cash flow has given us the financial strength to continue to build our pipeline, not only internally but through mergers and acquisitions and external partnerships. We have a strong foundation for future products and growth in multiple therapeutic areas through the 27 partnerships, collaborations and investments in 2019.

Individual Performance Objectives

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

Newmont Corp.

TARGET SETTING PROCESS AND CALCULATION OF CORPORATE PERFORMANCE BONUSES (PAGE 62)

https://d18rn0p25nwr6d.cloudfront.net/CIK-0001164727/7dae0c89-182c-4726-a817-989bdb0156f7.pdf

The Company's focus on safety, profitability, growth, and sustainability set the overall theme of the Corporate Performance Bonus program. The components of the 2019 Corporate Performance Bonus are as follows:

COMPONENT	WHAT IT IS	WHY IT IS USED	SUMMARY OF RESULTS 2019
Health and Safety	Measures key safety indicators to ensure we continuously improve our health and safety results. It is Newmont's objective to have critical controls consistently applied at all times.	Safety is a core value at Newmont. The Health and Safety measures support the strategic objectives of developing a culture of zero harm and achieving industry leading health and safety performance.	Total Recordable Injury Frequency Rate (TRIFR) was consistent year over year at 0.41 but below our target of 0.39 set for 2019. Good progress around integrating our critical controls across our new footprint continues.
CPB EBITDA	Measures pre-tax cash income or earnings from Newmont's operations. It also serves as a proxy for cash flow from operations as it excludes payments for income taxes and financing.	CPB EBITDA is an important profitability metric reflective of our financial operating results. It aligns with our focus on delivering value to shareholders.	We underperformed to budget but were able to still deliver over \$2.98B in CPB EBITDA(1). Financial performance continues to support our long term dividend strategy, returning value to stockholders.
Integration	Measures integration success through financial metrics and organizational development objectives.	To ensure we align the organization and deliver on our promises to shareholders.	We exceeded our integration metrics across a variety of measures. These include Financial and Organizational outcomes.
Cash Sustaining Cost	Measures the total production and early stage cost per gold equivalent ounce, including G&A, sustaining capital and other key operating expense items, excluding the impact of non-cash write-downs.	Cost is a key financial metric within employees' control and helps to ensure efficiency and accountability to support a value focus for production. Cost continues to be an important operating metric due to continued volatility in gold price and the mining industry.	Costs were higher in 2019 due to impacts from geotechnical events, production interruptions and lower production across some of our regions. We expect this to improve in 2020 as we continue to drive consistent improvements across our entire portfolio.
Project Cost & Execution	Measures the progress of new key capital projects which are expected to add to Newmont's production portfolio in the short- to medium-term. Project cost versus budget and development stage advancement are used to measure progress during the year.	New projects are important for sustaining Newmont's business over the long-term as well as providing the opportunity to grow production capability.	Completed Ahafo Mill Expansion, Quecher Main and Borden projects in 2019 on or ahead of schedule and within or below budget. We also continued our investments in a number of other projects in our pipeline.
Reserves and Resources	Measures the reserves available for future mining as well as the mineralization not yet proven to the level required for reserve reporting.	The Reserves and Resources metrics promote the long-term sustainability of the business; this includes discovery of new deposits and the successful completion of the work needed to report new deposits.	Reserve additions continue to be focused on value over volume; converting only what the operations need. We had strong performance on our exploration targets in 2019 including 3.4Moz of gold reserves net of revisions and 4.9Moz of gold resources.(2)
Sustainability	Measures Newmont's reputation, as well as achievement of key strategic Sustainability and External Relations objectives relating to access to land, resources and approvals.	Sustainability is a core value for Newmont. We are focused on delivering sustainable value for our people, stakeholders and host communities. Due to ongoing integration in 2019, only one external measure (DJSI) was used.	Newmont was named best in class across the gold sector, but we fell short of our goal of Industry Leader for 2019.

(1) See definition and reconciliation in Annex B-1

(2) Total Reserve additions for 2019 exclude additions from acquisitions and joint venture including Nevada Gold Mines JV. Corporate Performance Bonus results exclude additions from gold price changes and reclassifications. See Annex B-2 for reconciliation and cautionary statement.

Southern Company

OPERATIONAL GOAL ACHIEVEMENT FOR 2019 PPP (PAGE 51)

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

Operational Goal Achievement for 2019 PPP

The Company's operational goals reflect our aim to deliver clean, safe, reliable and affordable energy to our customers. These goals also promote our sustainable business model by focusing on our workforce development and improving our community through providing reliable and affordable energy and reflect the Company's focus on ESG matters, which are discussed in the Company's Corporate Responsibility Report.

The following table provides a summary of the operational goals for the Company's CEO and CFO.

Category and Relationship to ESG	Weight	Goal	Performance	Goal Payout
Human Capital Safety Diversity Sustainable Workforce	20%	▸ Safety – Reduce serious injuries (<0.10) and achieve milestones for critical risk controls and the safety & health management system	▸ Exceeded safety goal: serious injuries decreased 40% in 2019	199%
	20%	▸ Culture – Improve representation of minorities and women in leadership and across the organization, achieve top quartile performance on Diversity Inc. ranking and spending targets with diverse suppliers	▸ Exceeded culture goal: improved diverse representation across the Company and recognized as one of the top 50 companies for diversity by *DiversityInc.*	142%
Customer Satisfaction and Reliability Community Impact Safety Economic Development Customer Relationships	30%	▸ Customer Satisfaction – Achieve 2nd quartile ranking on benchmarks surveys for the traditional electric operating companies; improve customer experience survey results for gas operations	▸ Exceeded customer satisfaction goal: achieved top quartile rankings in customer satisfaction for each customer segment	189%
	8.5%	▸ Power Delivery – Maintain transmission and distribution system reliability, based on historical performance of the frequency and duration of outages	▸ Exceeded power delivery goal	136%
	3%	▸ Gas Operations – Improve pipeline safety and reliability by reducing damages from excavations and leak response time; achieve pipeline replacement target	▸ Exceeded gas operations goal	169%
Generation Efficiency Safety Environmental Footprint	8.5%	▸ Generation Availability – Achieve top quartile peak season EFOR	▸ Exceeded goal; achieved industry-leading peak EFOR results	200%
		▸ Nuclear Operations – Achieve targets for nuclear safety, reliability and availability	▸ Met nuclear operations goal	102%
Strategic Projects Environmental Footprint Community Impact Economic Development	10%	▸ Plant Vogtle Units 3 and 4 Construction Project Execution – Assessment of current year progress on the safety, quality and productivity of the construction schedule, operational readiness and investment recovery	▸ Reached all pre-established major milestones for 2019	188%
Total	**100%**			**175%**

Presentation of CEO & NEO Scorecards

- The inclusion of CEO and NEO scorecards provides the investor with details surrounding compensation for each officer and an explanation of their performance.

Allstate

COMPENSATION DECISIONS FOR 2019 (PAGES 49-52)

https://allstateproxy.com/assets/364574(2)_75_Allstate_NPS_WR.pdf

Compensation Discussion and Analysis ‹ **Executive Compensation**

Compensation Decisions for 2019

Thomas J. Wilson
Chair, President, and Chief Executive Officer

Key Responsibilities
Our Chair, President, and CEO is responsible for managing the company's strategic direction, operating results, organizational health, ethics and compliance, and corporate responsibility.

2019 COMPENSATION
(in millions)
$10.1 Long-Term Incentive Award
$1.34 Base Salary
$4.7 Annual Incentive (cash)

2019 Performance
Mr. Wilson's total compensation and the amount of each compensation element are driven by the design of our compensation program, his responsibilities, experience and performance, and peer company CEO compensation. The committee's independent compensation consultant annually reviews Mr. Wilson's compensation payments to advise the committee if any changes are warranted.

Mr. Wilson's performance as Chair, President, and CEO is evaluated under five categories: operating results, developing and implementing long-term strategy, maintaining and motivating a high-performance team, corporate stewardship and Board effectiveness. Performance is assessed over one- and three-year time periods.

- **Operating Results.** Excellent results on all five 2019 Operating Priorities.
  - Insurance premiums and contract charges increased by $2.1 billion (5.7%), and policies in force grew by 27.7% to 145.9 million.
  - Adjusted net income* rose to $3.48 billion in 2019 from $3.13 billion in the prior year.
  - Allstate's annual total shareholder return in 2019 was 36.8%. Allstate's three-year period total return was 60.4%, which exceeds both the three-year return of peers (34.4%), and the three-year return of the S&P 500 index (53.1%).
- **Long-term Strategy.** Improved competitive position of existing businesses while continuing to build long-term growth platforms.
  - Initiated Transformative Growth Plan to grow personal property-liability market share
  - Strategy to grow other protection offerings being driven by rapid growth of Allstate Protection Products and Allstate Identity Protection
- **High-Performance Team.** Talented, experienced and highly engaged team with excellent collaboration to achieve strategic vision.
- **Corporate Stewardship.** Corporate reputation is at an all-time high. Allstate is a leader in supporting youth empowerment and ending domestic violence.
- **Board Effectiveness.** Excellent governance processes, Board diversity, and stockholder engagement.

2019 Compensation Decisions
Mr. Wilson's annual cash incentive target of 300% of salary and long-term equity incentive target of 775% of salary remained unchanged.

- **Salary.** The committee approved an increase from $1,300,000 to $1,350,000 during 2019 based on evaluation of his performance, level of responsibility, experience and target compensation as compared to the peer group.
- **Annual Cash Incentive Award.** Mr. Wilson's target annual incentive payment of 300% of base salary with a maximum funding opportunity for the award pool of 200% of target was unchanged in 2019. The committee approved an annual cash incentive award of $4,730,100, which was equal to the funding level as determined by the actual results for the three performance measures of 117.5% of target.
- **Equity Incentive Awards.** In February 2019, based on its assessment of Mr. Wilson's performance in delivering strong business results in 2018, his job scope, and market data, the committee granted him equity awards with a grant date fair value of $10,075,000, which was Mr. Wilson's target equity incentive award opportunity of 775% of salary.

2020 Proxy Statement 49

Executive Compensation › Compensation Discussion and Analysis

Mario Rizzo
Executive Vice President and Chief Financial Officer

Key Responsibilities
Our CFO has primary responsibility for the management of the company's overall financial condition, system of internal controls, capital allocation, financial reporting, investor relations, acquisitions and divestitures, and capital market transactions.

2019 COMPENSATION
(in millions)
$2.1 Long-Term Incentive Award
$0.72 Base Salary
$1.1 Annual Incentive (cash)

2019 Performance
Mr. Rizzo's annual performance is evaluated on four criteria: overall corporate results, area of responsibility results, developing and implementing long-term strategy and corporate leadership. In 2019, Mr. Rizzo's compensation was at target funding with no discretion applied based on the following accomplishments:

- The Annual Incentive Plan funded at 117.5% based on a $2.0 billion (5.4%) Total Premium increase over the prior year being below an aggressive target, Performance Net Income of $3.57 billion being $421 million above target and Net Investment Income being $55 million below target despite having a total portfolio return of 9.2%.
- Enhanced operational performance by coordinating expense reductions, providing strong operational oversight and measurement and maintaining strong internal controls.
- Created shareholder value by increasing use of preferred stock, optimizing capital allocation and overseeing the share repurchase program.

2019 Compensation Decisions

- **Salary.** The committee approved an increase from $700,000 to $720,000 during 2019 based on evaluation of his performance, level of responsibility, experience and target compensation as compared to the peer group.
- **Incentive Targets.** Mr. Rizzo's annual incentive target was 125% of salary and his target equity incentive opportunity was 300% of salary.
- **Annual Cash Incentive Award.** The committee approved an annual cash incentive award of $1,053,000 for Mr. Rizzo, which was equal to the funding level as determined by the actual results for the three performance measures of 117.5% of target.
- **Equity Incentive Awards.** In February 2019, based on its assessment of Mr. Rizzo's performance in delivering strong business results in 2018, his job scope, and market data, the committee granted him equity awards with a grant date fair value of $2,100,000, which was Mr. Rizzo's target equity incentive award opportunity.

Don Civgin
President, Service Businesses[1]

Key Responsibilities
Mr. Civgin was President, Service Businesses, and is a member of Allstate's Operating Committee. In this role, he oversees the leadership of Allstate Dealer Services, Allstate Roadside Services, Answer Financial, Arity, Allstate Protection Plans and Avail.

2019 COMPENSATION
(in millions)
$2.5 Long-Term Incentive Award
$0.84 Base Salary
$1.4 Annual Incentive (cash)

2019 Performance
Mr. Civgin's annual performance is evaluated on four criteria: overall corporate results, area of responsibility results, developing and implementing long-term strategy and corporate leadership. In 2019, Mr. Civgin's compensation was above target funding with positive discretion applied based on the following accomplishments:

- The Annual Incentive Plan funded at 117.5% based on a $2.0 billion (5.4%) Total Premium increase over the prior year being below an aggressive target, Performance Net Income of $3.57 billion being $421 million above target and Net Investment Income being $55 million below target despite having a total portfolio return of 9.2%.
- Allstate Protection Plans policy growth of 45% reaching 99 million with increased Adjusted Net Income. Continued progress in building Arity and Avail businesses.

[1] The titles and responsibilities changed for certain of these officers in 2020. See Appendix C for a full list of Allstate's executive officers and current titles.

50 www.allstateproxy.com

Compensation Discussion and Analysis ‹ **Executive Compensation**

2019 Compensation Decisions

- **Salary.** The committee approved an increase from $820,000 to $840,000 during 2019, based on evaluation of his performance, level of responsibility, experience and target compensation as compared to the peer group.
- **Incentive Targets.** Mr. Civgin's annual incentive target was 125% of salary and his target equity incentive opportunity was 300% of salary.
- **Annual Cash Incentive Award.** The committee approved an annual cash incentive award of $1,400,000 for Mr. Civgin, which was 133.9% of target and above the funding level as determined by the actual results for the three performance measures.
- **Equity Incentive Awards.** In February 2019, based on its assessment of Mr. Civgin's performance in delivering strong business results in 2018, his job scope, and market data, the committee granted him equity awards with a grant date fair value of $2,460,000, which was Mr. Civgin's target equity incentive award opportunity.

Glenn T. Shapiro
President, Allstate Personal Lines[1]

Key Responsibilities
Mr. Shapiro was President of Allstate Personal Lines and led the product, claims, operations, risk, finance and distribution for this business, which comprises approximately 80% of Allstate's total insurance premiums and contract charges.

2019 COMPENSATION
(in millions)
$2.4 Long-Term Incentive Award
$0.77 Base Salary
$1.4 Annual Incentive (cash)

2019 Performance
Mr. Shapiro's annual performance is evaluated on four criteria: overall corporate results, area of responsibility results, developing and implementing long-term strategy and corporate leadership. In 2019, Mr. Shapiro's compensation was at target funding with no discretion applied based on the following accomplishments:

- The Annual Incentive Plan funded at 117.5% based on a $2.0 billion (5.4%) Total Premium increase over the prior year being below an aggressive target, Performance Net Income of $3.57 billion being $421 million above target and Net Investment Income being $55 million below target despite having a total portfolio return of 9.2%.
- Enhanced Allstate brand personal lines competitive position by improving customer service, reducing expenses and enhancing analytics.

2019 Compensation Decisions

- **Salary.** The committee approved an increase from $750,000 to $780,000 during 2019 based on evaluation of his performance, level of responsibility, experience and target compensation as compared to the peer group.
- **Incentive Targets.** Mr. Shapiro's annual incentive target was 150% of salary and his target equity incentive opportunity was 325% of salary.
- **Annual Cash Incentive Award.** The committee approved an annual cash incentive award of $1,366,000 for Mr. Shapiro, which was equal to the funding level as determined by the actual results for the three performance measures of 117.5% of target.
- **Equity Incentive Awards.** In February 2019, based on its assessment of Mr. Shapiro's performance in delivering strong business results in 2018, his job scope, and market data, the committee granted him equity awards with a grant date fair value of $2,437,500, which was Mr. Shapiro's target equity incentive award opportunity.

[1] The titles and responsibilities changed for certain of these officers in 2020. See Appendix C for a full list of Allstate's executive officers and current titles.

2020 Proxy Statement 51

Executive Compensation › Compensation Discussion and Analysis

Steven E. Shebik
Vice Chair[1]

Key Responsibilities
As Vice Chair, Mr. Shebik had primary responsibility for oversight of Allstate Life and Retirement, Allstate Benefits, Allstate Identity Protection, Encompass, Esurance, Allstate Business Insurance, Corporate Business Transformation, Discontinued Lines, and D3, a corporate analytics team.

2019 COMPENSATION
(in millions)
$3.0 Long-Term Incentive Award
$0.87 Base Salary
$2.0 Annual Incentive (cash)

2019 Performance
Mr. Shebik's annual performance is evaluated on four criteria: overall corporate results, area of responsibility results, developing and implementing long-term strategy and corporate leadership. In 2019, Mr. Shebik's compensation was at target funding with no discretion applied based on the following accomplishments:

- The Annual Incentive Plan funded at 117.5% based on a $2.0 billion (5.4%) Total Premium increase over the prior year being below an aggressive target, Performance Net Income of $3.57 billion being $421 million above target and Net Investment Income being $55 million below target despite having a total portfolio return of 9.2%.
- Strong operating results including expansion of shared economy insurance, life profitability and improved returns for the Esurance and Encompass brands.

2019 Compensation Decisions

- **Salary.** The committee approved an increase from $850,000 to $870,000 during 2019 based on evaluation of his performance, level of responsibility, experience and target compensation as compared to the peer group.
- **Incentive Targets.** Mr. Shebik's annual incentive target was 200% of salary and his target equity incentive opportunity was 350% of salary.
- **Annual Cash Incentive Award.** The committee approved an annual cash incentive award of $2,037,000 for Mr. Shebik, which was equal to the funding level as determined by the actual results for the three performance measures of 117.5% of target.
- **Equity Incentive Awards.** In February 2019, based on its assessment of Mr. Shebik's performance in delivering strong business results in 2018, his job scope, and market data, the committee granted him equity awards with a grant date fair value of $2,975,000, which was Mr. Shebik's target equity incentive award opportunity.

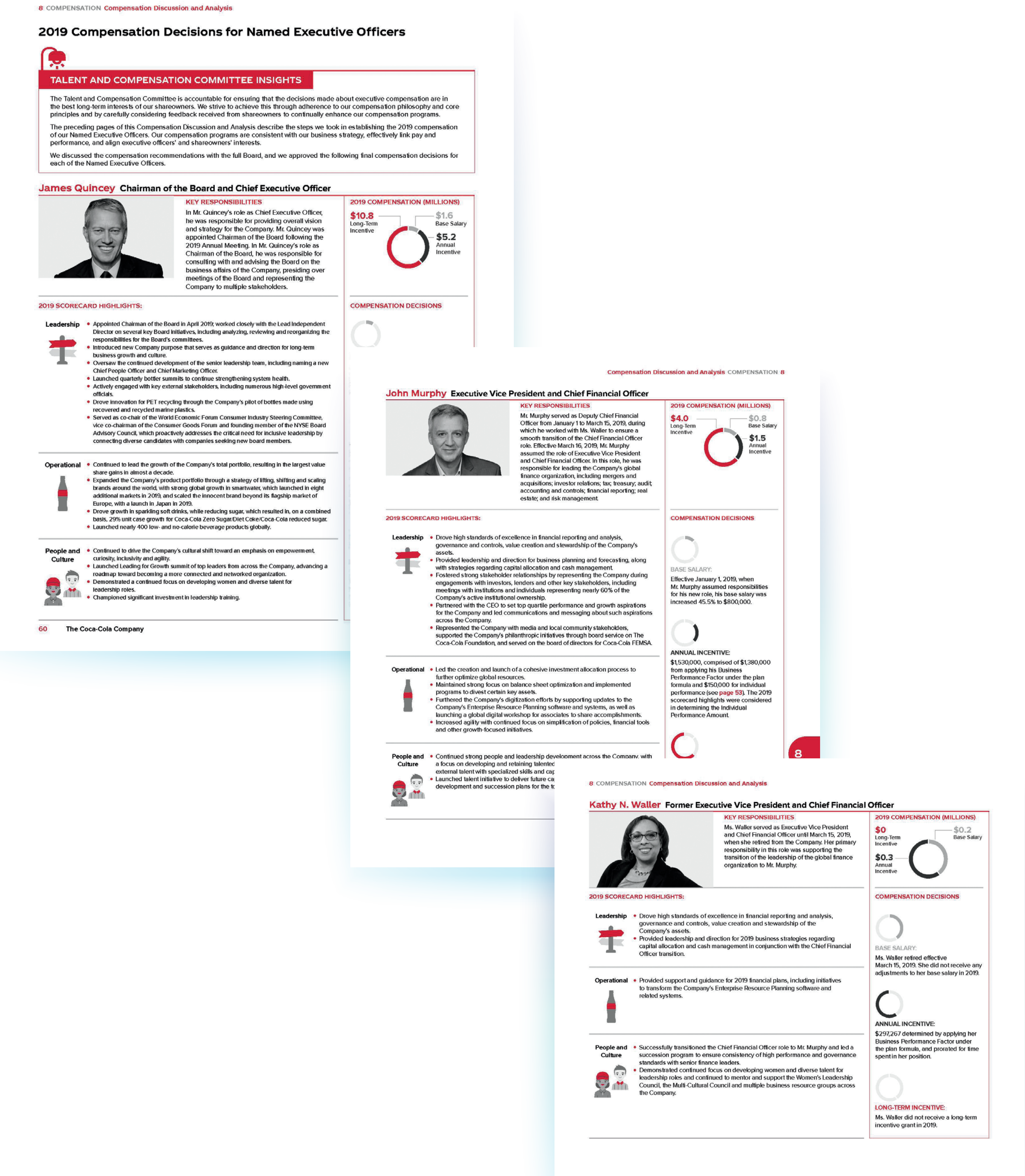
[1] The titles and responsibilities changed for certain of these officers in 2020. See Appendix C for a full list of Allstate's executive officers and current titles.

52 www.allstateproxy.com

Coca-Cola

2019 COMPENSATION DECISIONS FOR NAMED EXECUTIVE OFFICERS (PAGES 60-65)

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


8 COMPENSATION Compensation Discussion and Analysis

2019 Compensation Decisions for Named Executive Officers

TALENT AND COMPENSATION COMMITTEE INSIGHTS

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

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

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

James Quincey Chairman of the Board and Chief Executive Officer

KEY RESPONSIBILITIES

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

2019 COMPENSATION (MILLIONS)

$10.8 Long-Term Incentive

$1.6 Base Salary

$5.2 Annual Incentive

2019 SCORECARD HIGHLIGHTS:

Leadership
- Appointed Chairman of the Board in April 2019; worked closely with the Lead Independent Director on several key Board initiatives, including analyzing, reviewing and reorganizing the responsibilities for the Board's committees.
- Introduced new Company purpose that serves as guidance and direction for long-term business growth and culture.
- Oversaw the continued development of the senior leadership team, including naming a new Chief People Officer and Chief Marketing Officer.
- Launched quarterly bottler summits to continue strengthening system health.
- Actively engaged with key external stakeholders, including numerous high-level government officials.
- Drove innovation for PET recycling through the Company's pilot of bottles made using recovered and recycled marine plastics.
- Served as co-chair of the World Economic Forum Consumer Industry Steering Committee, vice co-chairman of the Consumer Goods Forum and founding member of the NYSE Board Advisory Council, which proactively addresses the critical need for inclusive leadership by connecting diverse candidates with companies seeking new board members.

Operational
- Continued to lead the growth of the Company's total portfolio, resulting in the largest value share gains in almost a decade.
- Expanded the Company's product portfolio through a strategy of lifting, shifting and scaling brands around the world, with strong global growth in smartwater, which launched in eight additional markets in 2019, and scaled the innocent brand beyond its flagship market of Europe, with a launch in Japan in 2019.
- Drove growth in sparkling soft drinks, while reducing sugar, which resulted in, on a combined basis, 29% unit case growth for Coca-Cola Zero Sugar/Diet Coke/Coca-Cola reduced sugar.
- Launched nearly 400 low- and no-calorie beverage products globally.

People and Culture
- Continued to drive the Company's cultural shift toward an emphasis on empowerment, curiosity, inclusivity and agility.
- Launched Leading for Growth summit of top leaders from across the Company, advancing a roadmap toward becoming a more connected and networked organization.
- Demonstrated a continued focus on developing women and diverse talent for leadership roles.
- Championed significant investment in leadership training.

COMPENSATION DECISIONS

60 The Coca-Cola Company

Compensation Discussion and Analysis COMPENSATION 8

John Murphy Executive Vice President and Chief Financial Officer

KEY RESPONSIBILITIES

Mr. Murphy served as Deputy Chief Financial Officer from January 1 to March 15, 2019, during which he worked with Ms. Waller to ensure a smooth transition of the Chief Financial Officer role. Effective March 16, 2019, Mr. Murphy assumed the role of Executive Vice President and Chief Financial Officer. In this role, he was responsible for leading the Company's global finance organization, including mergers and acquisitions; investor relations; tax; treasury; audit; accounting and controls; financial reporting; real estate; and risk management.

2019 COMPENSATION (MILLIONS)

$4.0 Long-Term Incentive

$0.8 Base Salary

$1.5 Annual Incentive

2019 SCORECARD HIGHLIGHTS:

Leadership
- Drove high standards of excellence in financial reporting and analysis, governance and controls, value creation and stewardship of the Company's assets.
- Provided leadership and direction for business planning and forecasting, along with strategies regarding capital allocation and cash management.
- Fostered strong stakeholder relationships by representing the Company during engagements with investors, lenders and other key stakeholders, including meetings with institutions and individuals representing nearly 60% of the Company's active institutional ownership.
- Partnered with the CEO to set top quartile performance and growth aspirations for the Company and led communications and messaging about such aspirations across the Company.
- Represented the Company with media and local community stakeholders, supported the Company's philanthropic initiatives through board service on The Coca-Cola Foundation, and served on the board of directors for Coca-Cola FEMSA.

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

People and Culture
- Continued strong people and leadership development across the Company, with a focus on developing and retaining talented … external talent with specialized skills and cap…
- Launched talent initiative to deliver future ca… development and succession plans for the t…

COMPENSATION DECISIONS

BASE SALARY:

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

ANNUAL INCENTIVE:

$1,530,000, comprised of $1,380,000 from applying his Business Performance Factor under the plan formula and $150,000 for individual performance (see page 53). The 2019 scorecard highlights were considered in determining the Individual Performance Amount.

8

8 COMPENSATION Compensation Discussion and Analysis

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

KEY RESPONSIBILITIES

Ms. Waller served as Executive Vice President and Chief Financial Officer until March 15, 2019, when she retired from the Company. Her primary responsibility in this role was supporting the transition of the leadership of the global finance organization to Mr. Murphy.

2019 COMPENSATION (MILLIONS)

$0 Long-Term Incentive

$0.2 Base Salary

$0.3 Annual Incentive

2019 SCORECARD HIGHLIGHTS:

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

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

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

COMPENSATION DECISIONS

BASE SALARY:

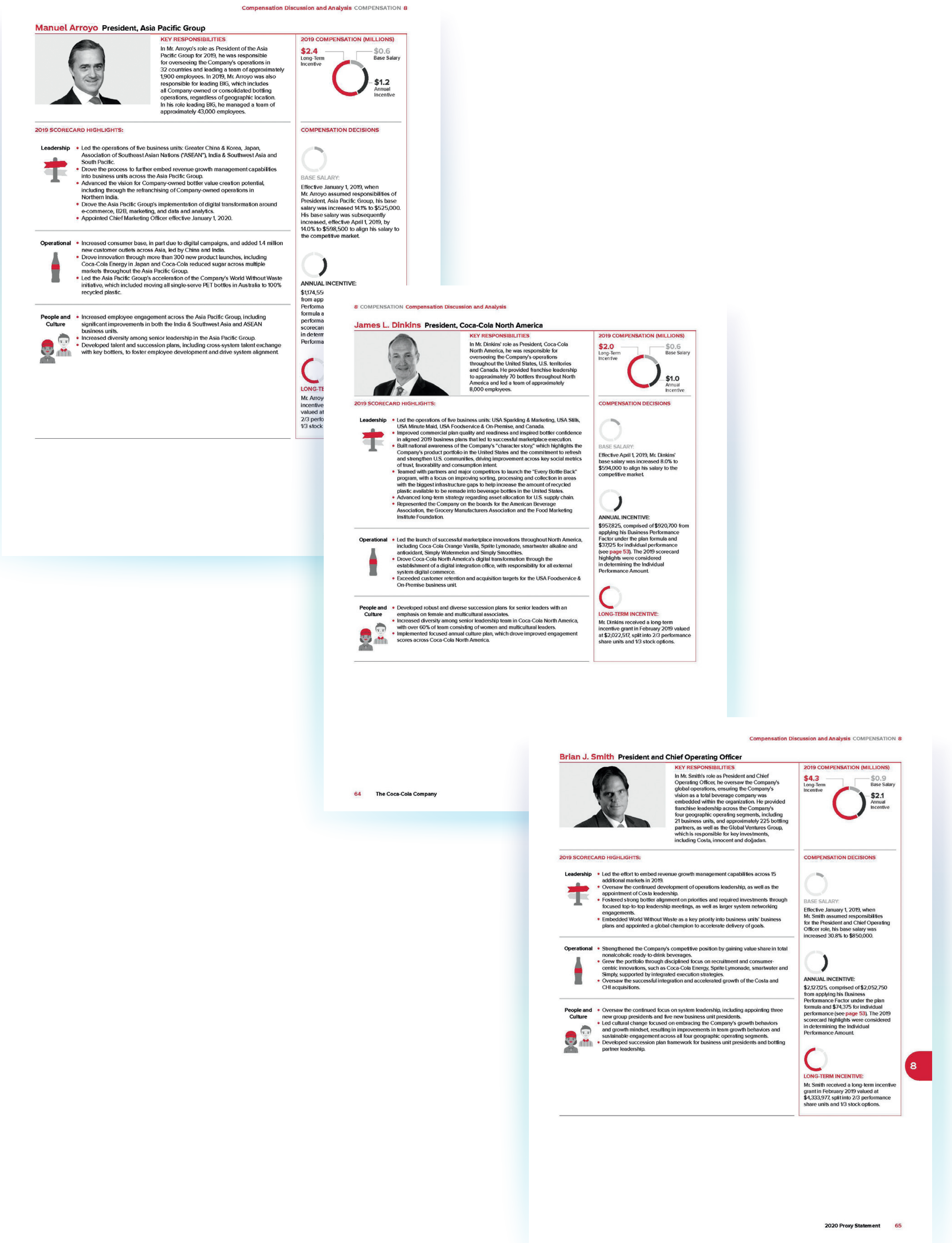
Ms. Waller retired effective March 15, 2019. She did not receive any adjustments to her base salary in 2019.

ANNUAL INCENTIVE:

$297,267 determined by applying her Business Performance Factor under the plan formula, and prorated for time spent in her position.

LONG-TERM INCENTIVE:

Ms. Waller did not receive a long-term incentive grant in 2019.



Compensation Discussion and Analysis COMPENSATION 8

Manuel Arroyo President, Asia Pacific Group

KEY RESPONSIBILITIES

In Mr. Arroyo's role as President of the Asia Pacific Group for 2019, he was responsible for overseeing the Company's operations in 32 countries and leading a team of approximately 1,900 employees. In 2019, Mr. Arroyo was also responsible for leading BIG, which includes all Company-owned or consolidated bottling operations, regardless of geographic location. In his role leading BIG, he managed a team of approximately 43,000 employees.

2019 COMPENSATION (MILLIONS)

$2.4 Long-Term Incentive

$0.6 Base Salary

$1.2 Annual Incentive

2019 SCORECARD HIGHLIGHTS:

Leadership
- Led the operations of five business units: Greater China & Korea, Japan, Association of Southeast Asian Nations ("ASEAN"), India & Southwest Asia and South Pacific.
- Drove the process to further embed revenue growth management capabilities into business units across the Asia Pacific Group.
- Advanced the vision for Company-owned bottler value creation potential, including through the refranchising of Company-owned operations in Northern India.
- Drove the Asia Pacific Group's implementation of digital transformation around e-commerce, B2B, marketing, and data and analytics.
- Appointed Chief Marketing Officer effective January 1, 2020.

Operational
- Increased consumer base, in part due to digital campaigns, and added 1.4 million new customer outlets across Asia, led by China and India.
- Drove innovation through more than 300 new product launches, including Coca-Cola Energy in Japan and Coca-Cola reduced sugar across multiple markets throughout the Asia Pacific Group.
- Led the Asia Pacific Group's acceleration of the Company's World Without Waste initiative, which included moving all single-serve PET bottles in Australia to 100% recycled plastic.

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

COMPENSATION DECISIONS

BASE SALARY:

Effective January 1, 2019, when Mr. Arroyo assumed responsibilities of President, Asia Pacific Group, his base salary was increased 14.1% to $525,000. His base salary was subsequently increased, effective April 1, 2019, by 14.0% to $598,500 to align his salary to the competitive market.

ANNUAL INCENTIVE:

$1,174,55
from app
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LONG-TE

Mr. Arroy
incentive
valued at
2/3 perfo
1/3 stock

8 COMPENSATION Compensation Discussion and Analysis

James L. Dinkins President, Coca-Cola North America

KEY RESPONSIBILITIES

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

2019 COMPENSATION (MILLIONS)

$2.0 Long-Term Incentive

$0.6 Base Salary

$1.0 Annual Incentive

2019 SCORECARD HIGHLIGHTS:

Leadership
- Led the operations of five business units: USA Sparkling & Marketing, USA Stills, USA Minute Maid, USA Foodservice & On-Premise, and Canada.
- Improved commercial plan quality and readiness and inspired bottler confidence in aligned 2019 business plans that led to successful marketplace execution.
- Built national awareness of the Company's "character story," which highlights the Company's product portfolio in the United States and the commitment to refresh and strengthen U.S. communities, driving improvement across key social metrics of trust, favorability and consumption intent.
- Teamed with partners and major competitors to launch the "Every Bottle Back" program, with a focus on improving sorting, processing and collection in areas with the biggest infrastructure gaps to help increase the amount of recycled plastic available to be remade into beverage bottles in the United States.
- Advanced long-term strategy regarding asset allocation for U.S. supply chain.
- Represented the Company on the boards for the American Beverage Association, the Grocery Manufacturers Association and the Food Marketing Institute Foundation.

Operational
- Led the launch of successful marketplace innovations throughout North America, including Coca-Cola Orange Vanilla, Sprite Lymonade, smartwater alkaline and antioxidant, Simply Watermelon and Simply Smoothies.
- Drove Coca-Cola North America's digital transformation through the establishment of a digital integration office, with responsibility for all external system digital commerce.
- Exceeded customer retention and acquisition targets for the USA Foodservice & On-Premise business unit.

People and Culture
- Developed robust and diverse succession plans for senior leaders with an emphasis on female and multicultural associates.
- Increased diversity among senior leadership team in Coca-Cola North America, with over 60% of team consisting of women and multicultural leaders.
- Implemented focused annual culture plan, which drove improved engagement scores across Coca-Cola North America.

COMPENSATION DECISIONS

BASE SALARY:

Effective April 1, 2019, Mr. Dinkins' base salary was increased 8.0% to $594,000 to align his salary to the competitive market.

ANNUAL INCENTIVE:

$957,825, comprised of $920,700 from applying his Business Performance Factor under the plan formula and $37,125 for individual performance (see page 53). The 2019 scorecard highlights were considered in determining the Individual Performance Amount.

LONG-TERM INCENTIVE:

Mr. Dinkins received a long-term incentive grant in February 2019 valued at $2,022,517, split into 2/3 performance share units and 1/3 stock options.

64 The Coca-Cola Company

Compensation Discussion and Analysis COMPENSATION 8

Brian J. Smith President and Chief Operating Officer

KEY RESPONSIBILITIES

In Mr. Smith's role as President and Chief Operating Officer, he oversaw the Company's global operations, ensuring the Company's vision as a total beverage company was embedded within the organization. He provided franchise leadership across the Company's four geographic operating segments, including 21 business units, and approximately 225 bottling partners, as well as the Global Ventures Group, which is responsible for key investments, including Costa, innocent and doğadan.

2019 COMPENSATION (MILLIONS)

$4.3 Long-Term Incentive

$0.9 Base Salary

$2.1 Annual Incentive

2019 SCORECARD HIGHLIGHTS:

Leadership
- Led the effort to embed revenue growth management capabilities across 15 additional markets in 2019.
- Oversaw the continued development of operations leadership, as well as the appointment of Costa leadership.
- Fostered strong bottler alignment on priorities and required investments through focused top-to-top leadership meetings, as well as larger system networking engagements.
- Embedded World Without Waste as a key priority into business units' business plans and appointed a global champion to accelerate delivery of goals.

Operational
- Strengthened the Company's competitive position by gaining value share in total nonalcoholic ready-to-drink beverages.
- Grew the portfolio through disciplined focus on recruitment and consumer-centric innovations, such as Coca-Cola Energy, Sprite Lymonade, smartwater and Simply, supported by integrated execution strategies.
- Oversaw the successful integration and accelerated growth of the Costa and CHI acquisitions.

People and Culture
- Oversaw the continued focus on system leadership, including appointing three new group presidents and five new business unit presidents.
- Led cultural change focused on embracing the Company's growth behaviors and growth mindset, resulting in improvements in team growth behaviors and sustainable engagement across all four geographic operating segments.
- Developed succession plan framework for business unit presidents and bottling partner leadership.

COMPENSATION DECISIONS

BASE SALARY:

Effective January 1, 2019, when Mr. Smith assumed responsibilities for the President and Chief Operating Officer role, his base salary was increased 30.8% to $850,000.

ANNUAL INCENTIVE:

$2,127,125, comprised of $2,052,750 from applying his Business Performance Factor under the plan formula and $74,375 for individual performance (see page 53). The 2019 scorecard highlights were considered in determining the Individual Performance Amount.

LONG-TERM INCENTIVE:

Mr. Smith received a long-term incentive grant in February 2019 valued at $4,333,977, split into 2/3 performance share units and 1/3 stock options.

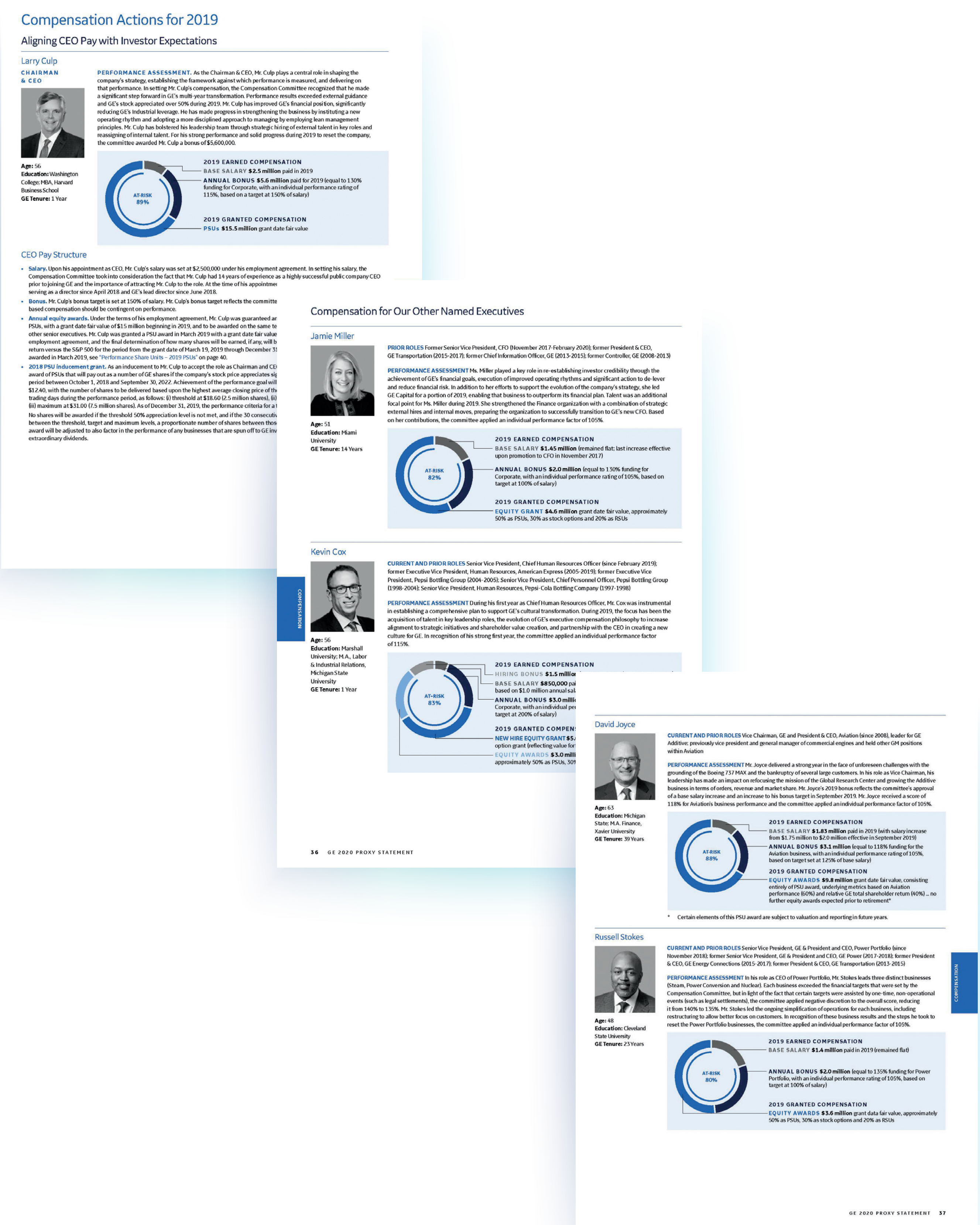
8

2020 Proxy Statement 65

GE

COMPENSATION ACTIONS FOR 2019 (PAGES 35-37)

https://www.ge.com/sites/default/files/GE_Proxy2020.pdf



Compensation Actions for 2019

Aligning CEO Pay with Investor Expectations

Larry Culp

CHAIRMAN & CEO

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

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

AT-RISK 89%

2019 EARNED COMPENSATION
BASE SALARY **$2.5 million** paid in 2019
ANNUAL BONUS **$5.6 million** paid for 2019 (equal to 130% funding for Corporate, with an individual performance rating of 115%, based on a target at 150% of salary)
2019 GRANTED COMPENSATION
PSUs **$15.5 million** grant date fair value

CEO Pay Structure

- **Salary.** Upon his appointment as CEO, Mr. Culp's salary was set at $2,500,000 under his employment agreement. In setting his salary, the Compensation Committee took into consideration the fact that Mr. Culp had 14 years of experience as a highly successful public company CEO prior to joining GE and the importance of attracting Mr. Culp to the role. At the time of his appointme serving as a director since April 2018 and GE's lead director since June 2018.
- **Bonus.** Mr. Culp's bonus target is set at 150% of salary. Mr. Culp's bonus target reflects the committe based compensation should be contingent on performance.
- **Annual equity awards.** Under the terms of his employment agreement, Mr. Culp was guaranteed an PSUs, with a grant date fair value of $15 million beginning in 2019, and to be awarded on the same te other senior executives. Mr. Culp was granted a PSU award in March 2019 with a grant date fair value employment agreement, and the final determination of how many shares will be earned, if any, will b return versus the S&P 500 for the period from the grant date of March 19, 2019 through December 31 awarded in March 2019, see "Performance Share Units – 2019 PSUs" on page 40.
- **2018 PSU inducement grant.** As an inducement to Mr. Culp to accept the role as Chairman and CE award of PSUs that will pay out as a number of GE shares if the company's stock price appreciates sig period between October 1, 2018 and September 30, 2022. Achievement of the performance goal will $12.40, with the number of shares to be delivered based upon the highest average closing price of th trading days during the performance period, as follows: (i) threshold at $18.60 (2.5 million shares), (ii) (iii) maximum at $31.00 (7.5 million shares). As of December 31, 2019, the performance criteria for a
No shares will be awarded if the threshold 50% appreciation level is not met, and if the 30 consecutiv between the threshold, target and maximum levels, a proportionate number of shares between thos award will be adjusted to also factor in the performance of any businesses that are spun off to GE inv extraordinary dividends.

Compensation for Our Other Named Executives

Jamie Miller

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

PERFORMANCE ASSESSMENT Ms. Miller played a key role in re-establishing investor credibility through the achievement of GE's financial goals, execution of improved operating rhythms and significant action to de-lever and reduce financial risk. In addition to her efforts to support the evolution of the company's strategy, she led GE Capital for a portion of 2019, enabling that business to outperform its financial plan. Talent was an additional focal point for Ms. Miller during 2019. She strengthened the Finance organization with a combination of strategic external hires and internal moves, preparing the organization to successfully transition to GE's new CFO. Based on her contributions, the committee applied an individual performance factor of 105%.

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

AT-RISK 82%

2019 EARNED COMPENSATION
BASE SALARY **$1.45 million** (remained flat; last increase effective upon promotion to CFO in November 2017)
ANNUAL BONUS **$2.0 million** (equal to 130% funding for Corporate, with an individual performance rating of 105%, based on target at 100% of salary)
2019 GRANTED COMPENSATION
EQUITY GRANT **$4.6 million** grant date fair value, approximately 50% as PSUs, 30% as stock options and 20% as RSUs

Kevin Cox

CURRENT AND PRIOR ROLES Senior Vice President, Chief Human Resources Officer (since February 2019); former Executive Vice President, Human Resources, American Express (2005-2019); former Executive Vice President, Pepsi Bottling Group (2004-2005); Senior Vice President, Chief Personnel Officer, Pepsi Bottling Group (1998-2004); Senior Vice President, Human Resources, Pepsi-Cola Bottling Company (1997-1998)

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

Age: 56
Education: Marshall University; M.A., Labor & Industrial Relations, Michigan State University
GE Tenure: 1 Year

COMPENSATION

AT-RISK 83%

2019 EARNED COMPENSATION
HIRING BONUS **$1.5 millior**
BASE SALARY **$850,000** pai based on $1.0 million annual sal
ANNUAL BONUS **$3.0 millic** Corporate, with an individual pe target at 200% of salary)
2019 GRANTED COMPEN
NEW HIRE EQUITY GRANT **$5.** option grant (reflecting value for
EQUITY AWARDS **$3.0 milli** approximately 50% as PSUs, 30

36 GE 2020 PROXY STATEMENT

David Joyce

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

PERFORMANCE ASSESSMENT Mr. Joyce delivered a strong year in the face of unforeseen challenges with the grounding of the Boeing 737 MAX and the bankruptcy of several large customers. In his role as Vice Chairman, his leadership has made an impact on refocusing the mission of the Global Research Center and growing the Additive business in terms of orders, revenue and market share. Mr. Joyce's 2019 bonus reflects the committee's approval of a base salary increase and an increase to his bonus target in September 2019. Mr. Joyce received a score of 118% for Aviation's business performance and the committee applied an individual performance factor of 105%.

Age: 63
Education: Michigan State; M.A. Finance, Xavier University
GE Tenure: 39 Years

AT-RISK 88%

2019 EARNED COMPENSATION
BASE SALARY **$1.83 million** paid in 2019 (with salary increase from $1.75 million to $2.0 million effective in September 2019)
ANNUAL BONUS **$3.1 million** (equal to 118% funding for the Aviation business, with an individual performance rating of 105%, based on target set at 125% of base salary)
2019 GRANTED COMPENSATION
EQUITY AWARDS **$9.8 million** grant date fair value, consisting entirely of PSU award, underlying metrics based on Aviation performance (60%) and relative GE total shareholder return (40%) ... no further equity awards expected prior to retirement*

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

Russell Stokes

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

PERFORMANCE ASSESSMENT In his role as CEO of Power Portfolio, Mr. Stokes leads three distinct businesses (Steam, Power Conversion and Nuclear). Each business exceeded the financial targets that were set by the Compensation Committee, but in light of the fact that certain targets were assisted by one-time, non-operational events (such as legal settlements), the committee applied negative discretion to the overall score, reducing it from 140% to 135%. Mr. Stokes led the ongoing simplification of operations for each business, including restructuring to allow better focus on customers. In recognition of these business results and the steps he took to reset the Power Portfolio businesses, the committee applied an individual performance factor of 105%.

Age: 48
Education: Cleveland State University
GE Tenure: 23 Years

COMPENSATION

AT-RISK 80%

2019 EARNED COMPENSATION
BASE SALARY **$1.4 million** paid in 2019 (remained flat)
ANNUAL BONUS **$2.0 million** (equal to 135% funding for Power Portfolio, with an individual performance rating of 105%, based on target at 100% of salary)
2019 GRANTED COMPENSATION
EQUITY AWARDS **$3.6 million** grant data fair value, approximately 50% as PSUs, 30% as stock options and 20% as RSUs

GE 2020 PROXY STATEMENT 37

United Technologies

PAY DECISIONS FOR THE CEO (PAGES 48-49)

https://ir.utc.com/static-files/9122104b-b18b-40fb-a4fa-f78b51e60eee

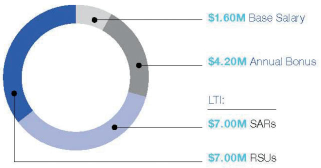
Pay Decisions for the CEO

Gregory J. Hayes

Chairman & Chief Executive Officer

AGE: 59 | UTC EXPERIENCE: 30 years

TOTAL DIRECT COMPENSATION
$19.8 MILLION



The Committee assessed Mr. Hayes' 2019 performance favorably. Under his leadership, UTC successfully achieved its 2019 financial and operational objectives while continuing to execute on long-term strategic initiatives: the Spinoffs of Carrier and Otis and the Merger with Raytheon. The Committee's compensation decisions below reflect his ability to deliver near-term performance while undertaking these complex and transformational initiatives.

Base Salary. The Committee did not make any adjustments to Mr. Hayes' base salary in 2019. His base salary of $1.6 million is consistent with the market median for our Compensation Peer Group.

Annual Bonus. UTC's 2019 financial performance factor was determined based on our performance relative to pre-established goals for two metrics: adjusted net income and free cash flow. For 2019, our adjusted net income of $7.1 billion exceeded the $6.8 billion goal, resulting in a payout factor of 143% for this earnings metric. Free cash flow used for annual bonus purposes equaled $7.4 billion, exceeding the $6.5 billion goal and yielding a payout factor of 154% for the cash flow metric. In combination, these results generated a UTC financial performance factor of 147%. In determining Mr. Hayes' 2019 annual bonus amount, the Committee considered the UTC financial performance factor, Mr. Hayes' effective leadership of the Company, and the individual performance considerations noted on the following page, and awarded Mr. Hayes a $4.2 million annual bonus. This amount aligned with the Company's 147% financial performance factor.

LTI. The Committee approved a 2020 long-term incentive award of $14.0 million, an amount which exceeded the value of Mr. Hayes' 2019 grant and the CPG market median for his role. As previously noted, due to differences in valuation methodologies (see page 44 for details), the grant date fair value of this award will be reported as $13.0 million in next year's Summary Compensation Table.

48 United Technologies Corporation Notice of 2020 Annua

INDIVIDUAL PERFORMANCE HIGHLIGHTS

Delivery of strong financial performance across all businesses in 2019, including:

- Net sales growth of 16%, including 5% organic growth (non-GAAP).
- Net income growth of 5% (GAAP) and 16% (non-GAAP).
- Diluted EPS of $6.41 (GAAP), and after adjustments $8.26 (non-GAAP), exceeding our expectations communicated to investors for the year.
- 43.8% TSR, outpacing the Dow Jones Industrial Average and the S&P 500 Index.
- The continued successful integration of Rockwell Collins, which accounted for approximately 66 cents of EPS accretion in 2019.
- Entered into an agreement with Raytheon to combine in an all-stock "Merger of Equals" to form Raytheon Technologies.
- Leadership in our transformative portfolio initiatives, including the continued integration of Rockwell Collins, the Spinoffs of Carrier and Otis, and the Merger with Raytheon.
- Effectively driving a high-performance culture while emphasizing ethical standards, transparency and corporate responsibility.

PAY DECISIONS FOR THE OTHER NEOs (PAGES 52-57)

https://ir.utc.com/static-files/9122104b-b18b-40fb-a4fa-f78b51e60eee


COMPENSATION DISCUSSION AND ANALYSIS

Pay Decisions for the Other NEOs

The Committee makes annual compensation decisions for our NEOs based on their individual performance and the overall performance of the Company (and the business unit and/or function, where applicable). The following pages show each NEO's 2019 total direct compensation values. As discussed on page 47, total direct compensation reflects the Committee's 2019 pay decisions and includes only those pay elements that relate to the Committee's assessment of 2019 performance (e.g., it includes 2020 LTI grants that reflect 2019 performance rather than 2019 LTI grants that reflected 2018 performance). We also provide individual performance highlights that contributed to the Committee's pay decisions for each NEO.

Neil G. Mitchill, Jr.

Acting Senior Vice President & Chief Financial Officer

AGE: 44 | UTC EXPERIENCE: 5 years

TOTAL DIRECT COMPENSATION $3.05 MILLION

$0.65M Base Salary
$0.70M Annual Bonus
LTI:
$0.85M SARs
$0.85M RSUs

During 2019, Mr. Mitchill served as Vice President & Chief Financial Officer of Pratt & Whitney through October, when he was appointed to the role of Acting Senior Vice President & Chief Financial Officer of UTC.

Base Salary. Mr. Mitchill received a 2019 merit increase to his base salary from $525,000 to $600,000. This increase reflected the Committee's favorable assessment of his performance as VP & CFO of Pratt & Whitney. When Mr. Mitchill was appointed to the position of Acting Senior Vice President & CFO of UTC, his salary increased to $650,000.

Annual Bonus. Since Mr. Mitchill spent a portion of the year at Pratt & Whitney and a portion of the year at the UTC Corporate Office, his financial performance factor was blended based on the time he served at each business. The financial performance factor for Pratt & Whitney was 133% and the financial performance factor for Corporate was 147% (as discussed on page 43), resulting in a blended financial performance factor for Mr. Mitchill of 137%. The Committee considered Mr. Mitchill's effective leadership of Pratt & Whitney and UTC's Finance functions, as well as the individual performance considerations noted here, and awarded him a $700,000 annual bonus for 2019. Mr. Mitchill's annual bonus amount is moderately above the 137% blended financial performance factor.

LTI. In consideration of Mr. Mitchill's strong 2019 performance, the Committee approved a $1.7 million 2020 LTI award. As previously noted, due to differences in valuation methodologies, the grant date fair value of this award will be reported as $1.6 million in next year's Summary Compensation T

Other Compensation Elem
important role in preparatio
and he will continue to prov
Raytheon Technologies follo
reasons, the Committee gra
retention RSU award in 201
2022, subject to his continu

INDIVIDUAL PERFORMA

- Effective management o function between Janua by Pratt & Whitney's fina
  - Sales growth of 8% on organic (non-GAAP) b
  - Operating profit growth (non-GAAP).
- Strong and effective lead in which Mr. Mitchill serv President & CFO of UTC
  - Critical support from th preparation for the Spi and
  - Achievement of strong through the completion

52 United Technologies Corporation Notice of 2020 Annual Meeting of Shareowners and Proxy

COMPENSATION DISCUSSION AND ANALYSIS

Robert K. Ortberg

Chief Executive Officer, Collins Aerospace Systems

AGE: 59 | UTC EXPERIENCE: 32 years*

TOTAL DIRECT COMPENSATION $9.41 MILLION

$1.21M Base Salary
$2.20M Annual Bonus
LTI:
$3.00M SARs
$3.00M RSUs

Mr. Ortberg served as Chief Executive Officer of Collins Aerospace Systems in 2019. On February 7, 2020, he transitioned to the role of Special Advisor to the Office of the Chairman & CEO. As noted on page 10, Mr. Ortberg has been nominated for election at the 2020 Annual Meeting. If the Merger occurs before the Annual Meeting, Mr. Ortberg will be appointed to the UTC Board immediately prior to the effective date of the Merger.

Base Salary. Mr. Ortberg received a merit increase to his base salary from $1,170,500 to $1,210,000 in 2019.

Annual Bonus. The Committee considered Collins Aerospace's financial performance factor of 144% and Mr. Ortberg's effective leadership of Collins Aerospace and awarded him a $2.2 million annual bonus for 2019. Mr. Ortberg's annual bonus amount is closely aligned with the 144% financial performance factor.

LTI. In consideration of Mr. Ortberg's strong 2019 performance, the Committee approved a $6.0 million 2020 LTI award, an amount above the CPG market median for his role and reflects the individual performance considerations noted here. As previously discussed, due to differences in valuation methodologies, the grant date fair value of this award will be reported as $5.6 million in next year's Summary Compensation Table.

INDIVIDUAL PERFORMANCE HIGHLIGHTS

- Leadership in the continued integration of Rockwell Collins and UTC Aerospace Systems, including achieving approximately $300 million of acquisition-related cost synergies in 2019.
- Developed, with ILC Dover, a Next-Generation Space Suit system prototype for future space missions.
- Selected by Saab to provide key power and controls systems for the Boeing T-X trainer, including the aircraft's Power Take Off Shaft, Auxiliary Power Engine Control Unit, engine start system and Main Electric Power Generation System.
- Developed a streamlined boarding system that will be installed at all Terminal 3 international gates at McCarran Airport in Las Vegas. The SelfPass biometric solution uses a facial scan to verify a passenger's identity and retrieve boarding details.
- Announced that Collins Aerospace is collaborating with SES, a leading satellite operator, to bring business aviation customers the fastest broadband speeds available for business aircraft. The two companies are launching LuxStream connectivity service, with Vista Global serving as the launch customer.
- Received two 2019 Crystal Cabin Awards, an international award for excellence in aircraft interior innovation. The awards recognized Collins Aerospace's M-Flex Duet (in the Cabin Systems Category) and μLED Reading Light (in the Materials & Components Category).

*Includes years of servic by UTC in 2018.

United Technologies Corporation Notice of 2020 Annual Meeting of

COMPENSATION DISCUSSION AND ANALYSIS

Judith F. Marks

President & Chief Executive Officer, Otis

AGE: 56 | UTC EXPERIENCE: 2 years

TOTAL DIRECT COMPENSATION $7.50 MILLION

$1.00M Base Salary
$1.50M Annual Bonus
LTI:
$2.50M SARs
$2.50M RSUs

During 2019, Ms. Marks served in the role of President of Otis through May. In June, she was appointed President & CEO of Otis, a role in which she will lead Otis as it spins off from UTC into a separate, publicly traded company in the first half of 2020.

Base Salary. Ms. Marks received a merit increase to her base salary from $875,000 to $925,000 in 2019. This increase reflects the Committee's favorable assessment of her performance. Subsequently, upon the announcement of her appointment as CEO of Otis, Ms. Marks' base salary was increased to $1,000,000 in recognition of her expanded responsibilities associated with preparing for the Spinoff and assuming the role of CEO of an independent, public company.

Annual Bonus. In connection with her appointment to the role of CEO, the Committee also increased Ms. Marks' target annual bonus from 100% to 125% of base salary. In determining Ms. Marks' 2019 annual bonus amount, the Committee considered Otis' financial performance factor of 127%, Ms. Marks' effective leadership of Otis and the individual performance considerations noted here, and awarded her a $1.5 million annual bonus for 2019. Ms. Marks' annual bonus amount is closely aligned with Otis' 127% financial performance factor.

LTI. In consideration of Ms. Marks' strong 2019 performance, the Committee approved a $5.0 million 2020 LTI award, an amount that reflects the increased scope of her role as CEO of Otis and its transformation into a publicly traded company. As previously noted, due to differences in valuation methodologies, the grant date fair value of this award will be reported as $4.6 million in next year's Summary Compensation Table.

INDIVIDUAL PERFORMANCE HIGHLIGHTS

- Effective leadership of Otis as it transforms from a UTC business unit into an independent, publicly traded company.
- In 2019, Otis achieved significant contract wins and executed on substantial operational achievements, including:
  - Completion of the elevator modernization of New York City's Empire State Building, which included delivery and installation of a custom-made glass elevator to carry visitors to the 102nd Floor Observatory. This was one of the largest and most complex projects in Otis' history.
  - Launch in China of the Otis IoT Solution — a complete end-to-end proactive digital service to connect elevator systems, Otis field professionals, property managers and regulatory authorities.
  - Installation of an inclined elevator in Shanghai's Oriental Pearl Tower, which completed the largest modernization project in China.
  - Award of a five-year maintenance contract to service 340 elevators, escalators and moving walkways in London's Gatwick Airport, the second largest airport in the United Kingdom.
  - Selection to supply 190 elevators for the New Passenger Terminal 2 at the Kuwait Airport, including 171 Gen2 units and 19 heavy-duty elevators that use the latest technologies, such as Otis' ReGen Drive, Gen2 flat-coated steel belts and Pulse monitoring systems.

54 United Technologies Corporation Notice of 2020 Annual Meeting of Shareowners and Proxy Statement

COMPENSATION DISCUSSION AND ANALYSIS

David L. Gitlin

President & Chief Executive Officer, Carrier

AGE: 50 | UTC EXPERIENCE: 22 years

TOTAL DIRECT COMPENSATION
$7.20 MILLION

From January through May 2019, Mr. Gitlin served in the role of President & Chief Operating Officer of Collins Aerospace. In June, he was appointed President & CEO of Carrier, a role in which he will lead Carrier as it spins off from UTC into a separate, publicly traded company in the first half of 2020.

Base Salary. Mr. Gitlin received a merit increase from $900,000 to $950,000 in 2019. This increase reflects the Committee's favorable assessment of his performance. Subsequently, upon the announcement of his appointment as CEO of Carrier, Mr. Gitlin's base salary was increased to $1,000,000 in recognition of his expanded responsibilities associated with preparing for the Spinoff and assuming the role of CEO of an independent, public company.

Annual Bonus. In connection with his appointment as CEO of Carrier, the Committee also increased Mr. Gitlin's target annual bonus from 100% to 125% of base salary. Since he spent a portion of the year at Collins Aerospace and the remainder of the year at Carrier, his financial performance factor was blended based on the time he served at each business. The financial performance factor for Collins Aerospace was 144% and the financial performance factor for Carrier was 69%, resulting in a blended financial performance factor for Mr. Gitlin of 100%. The Committee considered this factor, Mr. Giltin's effective leadership at both Collins Aerospace and Carrier, and the individual performance considerations noted here, and awarded him a $1.2 million annual bonus for 2019. Mr. Gitlin's annual bonus amount is closely aligned with the 100% blended financial performance factor.

LTI. In consideration of Mr. Gitlin's strong 2019 performance, the Committee approved a $5.0 million 2020 LTI award, an amount that reflects the increased scope of his role as CEO of Carrier and its transformation into a publicly traded company. As previously noted, due to differences in valuation methodologies, the grant date fair value of this award will be reported as $4.6 million in next year's Summary Compensation Table.

INDIVIDUAL PERFORMANCE HIGHLIGHTS

- Effective leadership of Carrier as it transforms from a UTC business unit into an independent, publicly traded company in 2020, while pursuing an aggressive growth strategy and cost-cutting efforts.
- Continued focus on driving Carrier's growth through innovation, as evidenced by the launch of more than 100 new products in 2019.
- Achieved a number of substantial contract wins during the year, including the following:
  - Carrier's Green & Cool CO2Y natural refrigerant system was selected by Burger King as its preferred condensing units for its restaurants in Spain.
  - Carrier signed a strategic cooperation agreement with Tim Hortons in China to provide integrated HVAC solutions and services f… future coffee houses thr…
  - Carrier Transicold was … NaturaLINE units for TC… shipping fleet and 50 N… Logistics.
- During his time at Collins … leadership was critical to … operational accomplishm… successful integration of … UTC Aerospace Systems…

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COMPENSATION DISCUSSION AND ANALYSIS

Akhil Johri

Special Advisor to the Chairman & CEO

AGE: 58 | UTC EXPERIENCE: 31 years

TOTAL DIRECT COMPENSATION
$2.85 MILLION

During 2019, Mr. Johri served as Executive Vice President & CFO through October. He then transitioned to the role of Special Advisor to the Chairman & CEO, a role in which he will serve until the Merger with Raytheon.

Base Salary. Mr. Johri received a merit increase to his base salary from $900,000 to $950,000 in 2019. This increase reflected the Committee's favorable assessment of his performance.

Annual Bonus. The Committee considered the UTC financial performance factor of 147%, Mr. Johri's effective leadership of UTC's Finance function, his continued support throughout the Spinoffs and Merger transition period, and the individual performance considerations noted here, and awarded him a $1.9 million annual bonus for 2019. This amount is moderately above the 147% UTC financial performance factor.

LTI. Mr. Johri did not receive an LTI award in 2020, reflecting his assumption of a transitional role leading up to the Spinoffs and Merger.

INDIVIDUAL PERFORMANCE HIGHLIGHTS

- Effective management of UTC's Finance function through October 2019, as evidenced by the Company's strong 2019 financial performance including:
  - Sales growth of 16%, which includes 5% organic growth (non-GAAP).
  - Net income growth of 5% (GAAP) and 16% (non-GAAP).
  - Diluted EPS of $6.41 (GAAP) and adjusted EPS of $8.26 (non-GAAP), an amount that exceeded the expectations communicated to investors for the year.
- Leadership in driving UTC's disciplined capital allocation strategy, including:
  - $2.6 billion returned to shareowners in 2019 through dividends and share repurchases; and
  - $5.3 billion in company- and customer-funded investments in research and development.
- Critical support and leadership from the Finance function in preparation for the Spinoffs and Merger.

56 United Technologies Corporation Notice of 2020 Annual Meeting…

COMPENSATION DISCUSSION AND ANALYSIS

Robert J. McDonough

Special Advisor to the President & CEO of Carrier

AGE: 60 | UTC EXPERIENCE: 12 years

TOTAL DIRECT COMPENSATION
$1.58 MILLION

Mr. McDonough served as President of Carrier through May and then as Chief Operating Officer of Carrier, until he was appointed Special Advisor to the President & CEO of Carrier in December.

Base Salary. During 2019, Mr. McDonough received a merit increase to his base salary from $925,000 to $975,000. This increase reflected the Committee's favorable assessment of his performance.

Annual Bonus. The Committee considered Carrier's financial performance factor of 69%, Mr. McDonough's leadership as Carrier transitions to an independent, public company, and the individual performance considerations noted here, and awarded him a $600,000 annual bonus for 2019, an amount below Carrier's 69% financial performance factor.

Other Compensation Elements. Upon his transition to the role of Chief Operating Officer of Carrier, the Committee granted Mr. McDonough a $4 million LTI retention award consisting of SARs and RSUs. This award reflects the Committee's view that Mr. McDonough's experience and guidance is necessary through the Spinoff transition period. In consideration of this retention award and his transition to Special Advisor to the President & CEO of Carrier, he did not receive an additional LTI award in February 2020. Mr. McDonough expects to retire from Carrier in 2020, at which time he and Carrier intend to enter into a one-year consulting agreement. As a consultant, Mr. McDonough will provide valuable assistance in transitioning customer, supplier and partner relationships.

INDIVIDUAL PERFORMANCE HIGHLIGHTS

Achieved important product rollouts and substantial contract wins during the year, including:

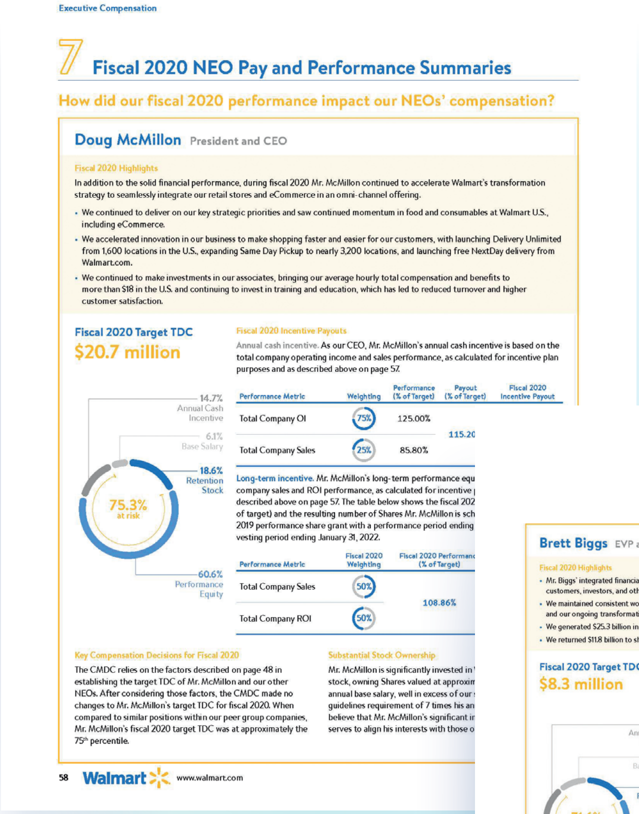
- Introduction of the first Toshiba Carrier Variable Refrigerant Flow (VRF) rooftop unit, which will allow multiple rooftop units to be connected to one condensing unit and additional VRF fan coil units to help optimize energy efficiency and comfort.
- Introduction of the next-generation temperature-controlled trailer system — the Vector HE (high efficiency) — which can reduce fuel consumption by up to 30% and maintenance costs by up to 15%.
- Carrier's Kidde smoke alarms featuring TruSense Technology became the first to meet Underwriters Laboratories' 2020 safety standards.
- Numerous notable orders for Carrier Transicold NaturaLINE units during 2019, including 220 units for TOTE Maritime Puerto Rico's shipping fleet and 50 units for DFDS Logistics.
- Announcement of an exclusive HVAC supplier relationship with Clayton Home Building Group to provide nationwide SmartComfort by Carrier furnaces for Clayton homes constructed off-site.

United Technologies Corporation Notice of 2020 Annual Meeting of Shareowners and Proxy Statement 57

Walmart

HOW DID OUR FISCAL 2020 PERFORMANCE IMPACT OUR NEOs' COMPENSATION? (PAGES 58-63)

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



Executive Compensation

7 Fiscal 2020 NEO Pay and Performance Summaries

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

Doug McMillon President and CEO

Fiscal 2020 Highlights

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

- We continued to deliver on our key strategic priorities and saw continued momentum in food and consumables at Walmart U.S., including eCommerce.
- We accelerated innovation in our business to make shopping faster and easier for our customers, with launching Delivery Unlimited from 1,600 locations in the U.S., expanding Same Day Pickup to nearly 3,200 locations, and launching free NextDay delivery from Walmart.com.
- We continued to make investments in our associates, bringing our average hourly total compensation and benefits to more than $18 in the U.S. and continuing to invest in training and education, which has led to reduced turnover and higher customer satisfaction.

Fiscal 2020 Target TDC

$20.7 million

Fiscal 2020 Incentive Payouts

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

Performance Metric	Weighting	Performance (% of Target)	Payout (% of Target)	Fiscal 2020 Incentive Payout
Total Company OI	75%	125.00%	115.20	
Total Company Sales	25%	85.80%		

Long-term incentive. Mr. McMillon's long-term performance equ
company sales and ROI performance, as calculated for incentive p
described above on page 57. The table below shows the fiscal 202
of target) and the resulting number of Shares Mr. McMillon is sch
2019 performance share grant with a performance period ending
vesting period ending January 31, 2022.

Performance Metric	Fiscal 2020 Weighting	Fiscal 2020 Performan (% of Target)
Total Company Sales	50%	108.86%
Total Company ROI	50%	

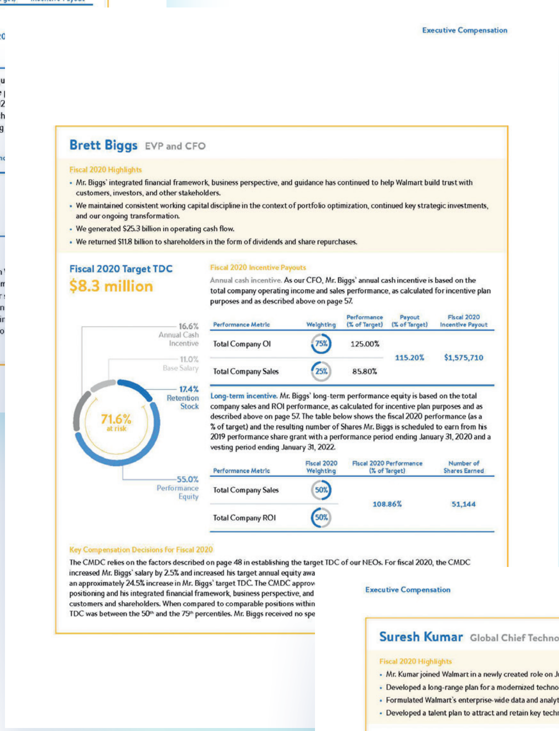
Key Compensation Decisions for Fiscal 2020

The CMDC relies on the factors described on page 48 in establishing the target TDC of Mr. McMillon and our other NEOs. After considering those factors, the CMDC made no changes to Mr. McMillon's target TDC for fiscal 2020. When compared to similar positions within our peer group companies, Mr. McMillon's fiscal 2020 target TDC was at approximately the 75th percentile.

Substantial Stock Ownership

Mr. McMillon is significantly invested in
stock, owning Shares valued at approxim
annual base salary, well in excess of our
guidelines requirement of 7 times his an
believe that Mr. McMillon's significant in
serves to align his interests with those o

58 Walmart www.walmart.com



Executive Compensation

Brett Biggs EVP and CFO

Fiscal 2020 Highlights

- Mr. Biggs' integrated financial framework, business perspective, and guidance has continued to help Walmart build trust with customers, investors, and other stakeholders.
- We maintained consistent working capital discipline in the context of portfolio optimization, continued key strategic investments, and our ongoing transformation.
- We generated $25.3 billion in operating cash flow.
- We returned $11.8 billion to shareholders in the form of dividends and share repurchases.

Fiscal 2020 Target TDC

$8.3 million

Fiscal 2020 Incentive Payouts

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

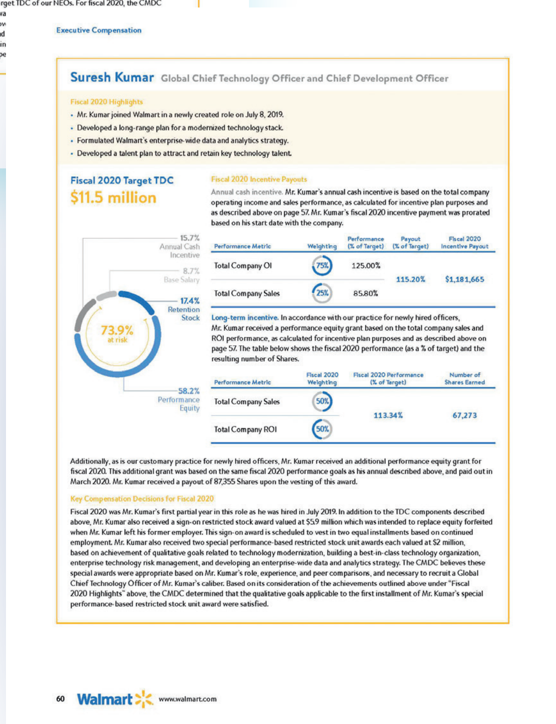
Performance Metric	Weighting	Performance (% of Target)	Payout (% of Target)	Fiscal 2020 Incentive Payout
Total Company OI	75%	125.00%	115.20%	$1,575,710
Total Company Sales	25%	85.80%		

Long-term incentive. Mr. Biggs' long-term performance equity is based on the total company sales and ROI performance, as calculated for incentive plan purposes and as described above on page 57. The table below shows the fiscal 2020 performance (as a % of target) and the resulting number of Shares Mr. Biggs is scheduled to earn from his 2019 performance share grant with a performance period ending January 31, 2020 and a vesting period ending January 31, 2022.

Performance Metric	Fiscal 2020 Weighting	Fiscal 2020 Performance (% of Target)	Number of Shares Earned
Total Company Sales	50%	108.86%	51,144
Total Company ROI	50%		

Key Compensation Decisions for Fiscal 2020

The CMDC relies on the factors described on page 48 in establishing the target TDC of our NEOs. For fiscal 2020, the CMDC
increased Mr. Biggs' salary by 2.5% and increased his target annual equity awa
an approximately 24.5% increase in Mr. Biggs' target TDC. The CMDC approv
positioning and his integrated financial framework, business perspective, and
customers and shareholders. When compared to comparable positions within
TDC was between the 50th and the 75th percentiles. Mr. Biggs received no spe



Executive Compensation

Suresh Kumar Global Chief Technology Officer and Chief Development Officer

Fiscal 2020 Highlights

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

Fiscal 2020 Target TDC

$11.5 million

Fiscal 2020 Incentive Payouts

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

Performance Metric	Weighting	Performance (% of Target)	Payout (% of Target)	Fiscal 2020 Incentive Payout
Total Company OI	75%	125.00%	115.20%	$1,181,665
Total Company Sales	25%	85.80%		

Long-term incentive. In accordance with our practice for newly hired officers, Mr. Kumar received a performance equity grant based on the total company sales and ROI performance, as calculated for incentive plan purposes and as described above on page 57. The table below shows the fiscal 2020 performance (as a % of target) and the resulting number of Shares.

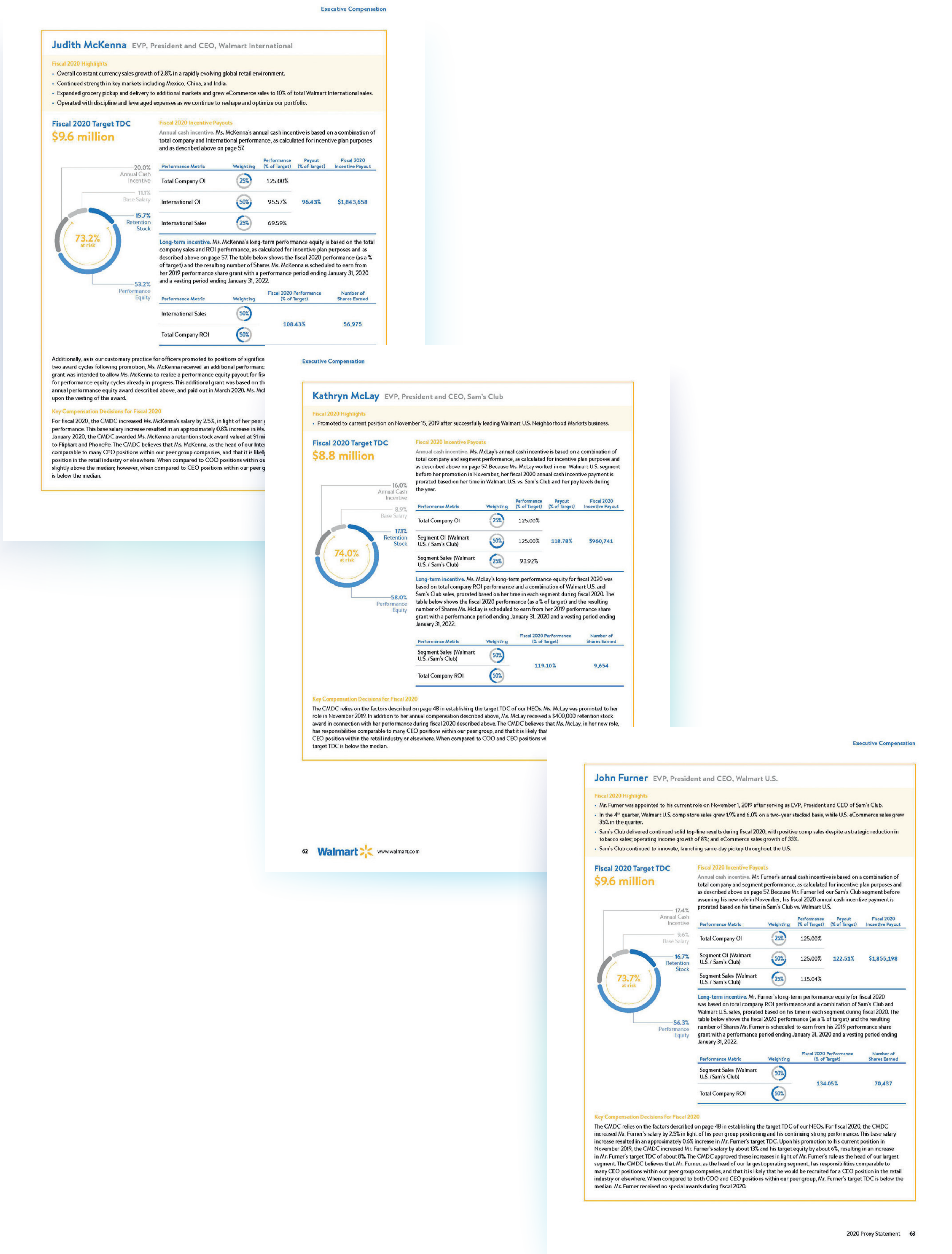
Performance Metric	Fiscal 2020 Weighting	Fiscal 2020 Performance (% of Target)	Number of Shares Earned
Total Company Sales	50%	113.34%	67,273
Total Company ROI	50%		

Additionally, as is our customary practice for newly hired officers, Mr. Kumar received an additional performance equity grant for fiscal 2020. This additional grant was based on the same fiscal 2020 performance goals as his annual described above, and paid out in March 2020. Mr. Kumar received a payout of 87,355 Shares upon the vesting of this award.

Key Compensation Decisions for Fiscal 2020

Fiscal 2020 was Mr. Kumar's first partial year in this role as he was hired in July 2019. In addition to the TDC components described above, Mr. Kumar also received a sign-on restricted stock award valued at $5.9 million which was intended to replace equity forfeited when Mr. Kumar left his former employer. This sign-on award is scheduled to vest in two equal installments based on continued employment. Mr. Kumar also received two special performance-based restricted stock unit awards each valued at $2 million, based on achievement of qualitative goals related to technology modernization, building a best-in-class technology organization, enterprise technology risk management, and developing an enterprise-wide data and analytics strategy. The CMDC believes these special awards were appropriate based on Mr. Kumar's role, experience, and peer comparisons, and necessary to recruit a Global Chief Technology Officer of Mr. Kumar's caliber. Based on its consideration of the achievements outlined above under "Fiscal 2020 Highlights" above, the CMDC determined that the qualitative goals applicable to the first installment of Mr. Kumar's special performance-based restricted stock unit award were satisfied.

60 Walmart www.walmart.com



Executive Compensation

Judith McKenna EVP, President and CEO, Walmart International

Fiscal 2020 Highlights

- Overall constant currency sales growth of 2.8% in a rapidly evolving global retail environment.
- Continued strength in key markets including Mexico, China, and India.
- Expanded grocery pickup and delivery to additional markets and grew eCommerce sales to 10% of total Walmart International sales.
- Operated with discipline and leveraged expenses as we continue to reshape and optimize our portfolio.

Fiscal 2020 Target TDC
$9.6 million

20.0% Annual Cash Incentive
11.1% Base Salary
15.7% Retention Stock
73.2% at risk
53.2% Performance Equity

Fiscal 2020 Incentive Payouts

Annual cash incentive. Ms. McKenna's annual cash incentive is based on a combination of total company and International performance, as calculated for incentive plan purposes and as described above on page 57.

Performance Metric	Weighting	Performance (% of Target)	Payout (% of Target)	Fiscal 2020 Incentive Payout
Total Company OI	25%	125.00%		
International OI	50%	95.57%	96.43%	$1,843,658
International Sales	25%	69.59%		

Long-term incentive. Ms. McKenna's long-term performance equity is based on the total company sales and ROI performance, as calculated for incentive plan purposes and as described above on page 57. The table below shows the fiscal 2020 performance (as a % of target) and the resulting number of Shares Ms. McKenna is scheduled to earn from her 2019 performance share grant with a performance period ending January 31, 2020 and a vesting period ending January 31, 2022.

Performance Metric	Weighting	Fiscal 2020 Performance (% of Target)	Number of Shares Earned
International Sales	50%	108.43%	56,975
Total Company ROI	50%		

Additionally, as is our customary practice for officers promoted to positions of significa
two award cycles following promotion, Ms. McKenna received an additional performanc
grant was intended to allow Ms. McKenna to realize a performance equity payout for fis
for performance equity cycles already in progress. This additional grant was based on th
annual performance equity award described above, and paid out in March 2020. Ms. Mc
upon the vesting of this award.

Key Compensation Decisions for Fiscal 2020

For fiscal 2020, the CMDC increased Ms. McKenna's salary by 2.5%, in light of her peer
performance. This base salary increase resulted in an approximately 0.8% increase in Ms.
January 2020, the CMDC awarded Ms. McKenna a retention stock award valued at $1 mi
to Flipkart and PhonePe. The CMDC believes that Ms. McKenna, as the head of our Inter
comparable to many CEO positions within our peer group companies, and that it is likely
position in the retail industry or elsewhere. When compared to COO positions within ou
slightly above the median; however, when compared to CEO positions within our peer g
is below the median.

Executive Compensation

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

Fiscal 2020 Highlights

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

Fiscal 2020 Target TDC
$8.8 million

16.0% Annual Cash Incentive
8.9% Base Salary
17.1% Retention Stock
74.0% at risk
58.0% Performance Equity

Fiscal 2020 Incentive Payouts

Annual cash incentive. Ms. McLay's annual cash incentive is based on a combination of total company and segment performance, as calculated for incentive plan purposes and as described above on page 57. Because Ms. McLay worked in our Walmart U.S. segment before her promotion in November, her fiscal 2020 annual cash incentive payment is prorated based on her time in Walmart U.S. vs. Sam's Club and her pay levels during the year.

Performance Metric	Weighting	Performance (% of Target)	Payout (% of Target)	Fiscal 2020 Incentive Payout
Total Company OI	25%	125.00%		
Segment OI (Walmart U.S. / Sam's Club)	50%	125.00%	118.78%	$960,741
Segment Sales (Walmart U.S. / Sam's Club)	25%	93.92%		

Long-term incentive. Ms. McLay's long-term performance equity for fiscal 2020 was based on total company ROI performance and a combination of Walmart U.S. and Sam's Club sales, prorated based on her time in each segment during fiscal 2020. The table below shows the fiscal 2020 performance (as a % of target) and the resulting number of Shares Ms. McLay is scheduled to earn from her 2019 performance share grant with a performance period ending January 31, 2020 and a vesting period ending January 31, 2022.

Performance Metric	Weighting	Fiscal 2020 Performance (% of Target)	Number of Shares Earned
Segment Sales (Walmart U.S. /Sam's Club)	50%	119.10%	9,654
Total Company ROI	50%		

Key Compensation Decisions for Fiscal 2020

The CMDC relies on the factors described on page 48 in establishing the target TDC of our NEOs. Ms. McLay was promoted to her role in November 2019. In addition to her annual compensation described above, Ms. McLay received a $400,000 retention stock award in connection with her performance during fiscal 2020 described above. The CMDC believes that Ms. McLay, in her new role, has responsibilities comparable to many CEO positions within our peer group, and that it is likely that
CEO position within the retail industry or elsewhere. When compared to COO and CEO positions wi
target TDC is below the median.

62 Walmart www.walmart.com

Executive Compensation

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

Fiscal 2020 Highlights

- Mr. Furner was appointed to his current role on November 1, 2019 after serving as EVP, President and CEO of Sam's Club.
- In the 4th quarter, Walmart U.S. comp store sales grew 1.9% and 6.0% on a two-year stacked basis, while U.S. eCommerce sales grew 35% in the quarter.
- Sam's Club delivered continued solid top-line results during fiscal 2020, with positive comp sales despite a strategic reduction in tobacco sales; operating income growth of 8%; and eCommerce sales growth of 33%.
- Sam's Club continued to innovate, launching same-day pickup throughout the U.S.

Fiscal 2020 Target TDC
$9.6 million

17.4% Annual Cash Incentive
9.6% Base Salary
16.7% Retention Stock
73.7% at risk
56.3% Performance Equity

Fiscal 2020 Incentive Payouts

Annual cash incentive. Mr. Furner's annual cash incentive is based on a combination of total company and segment performance, as calculated for incentive plan purposes and as described above on page 57. Because Mr. Furner led our Sam's Club segment before assuming his new role in November, his fiscal 2020 annual cash incentive payment is prorated based on his time in Sam's Club vs. Walmart U.S.

Performance Metric	Weighting	Performance (% of Target)	Payout (% of Target)	Fiscal 2020 Incentive Payout
Total Company OI	25%	125.00%		
Segment OI (Walmart U.S. / Sam's Club)	50%	125.00%	122.51%	$1,855,198
Segment Sales (Walmart U.S. / Sam's Club)	25%	115.04%		

Long-term incentive. Mr. Furner's long-term performance equity for fiscal 2020 was based on total company ROI performance and a combination of Sam's Club and Walmart U.S. sales, prorated based on his time in each segment during fiscal 2020. The table below shows the fiscal 2020 performance (as a % of target) and the resulting number of Shares Mr. Furner is scheduled to earn from his 2019 performance share grant with a performance period ending January 31, 2020 and a vesting period ending January 31, 2022.

Performance Metric	Weighting	Fiscal 2020 Performance (% of Target)	Number of Shares Earned
Segment Sales (Walmart U.S. /Sam's Club)	50%	134.05%	70,437
Total Company ROI	50%		

Key Compensation Decisions for Fiscal 2020

The CMDC relies on the factors described on page 48 in establishing the target TDC of our NEOs. For fiscal 2020, the CMDC increased Mr. Furner's salary by 2.5% in light of his peer group positioning and his continuing strong performance. This base salary increase resulted in an approximately 0.6% increase in Mr. Furner's target TDC. Upon his promotion to his current position in November 2019, the CMDC increased Mr. Furner's salary by about 13% and his target equity by about 6%, resulting in an increase in Mr. Furner's target TDC of about 8%. The CMDC approved these increases in light of Mr. Furner's role as the head of our largest segment. The CMDC believes that Mr. Furner, as the head of our largest operating segment, has responsibilities comparable to many CEO positions within our peer group companies, and that it is likely that he would be recruited for a CEO position in the retail industry or elsewhere. When compared to both COO and CEO positions within our peer group, Mr. Furner's target TDC is below the median. Mr. Furner received no special awards during fiscal 2020.

2020 Proxy Statement 63

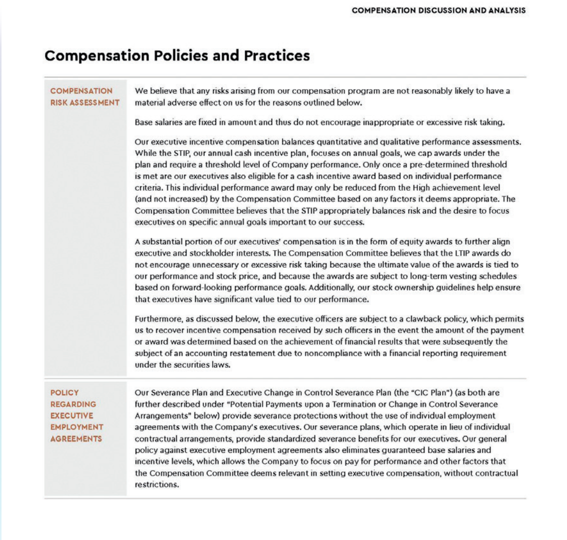
Presentation of Other Compensation Policies & Practices

- The discussion of the company's other compensation policies and practices can be organized in a neat table, keeping this information accessible.

Healthpeak Properties

COMPENSATION POLICIES AND PRACTICES (PAGES 51-54)

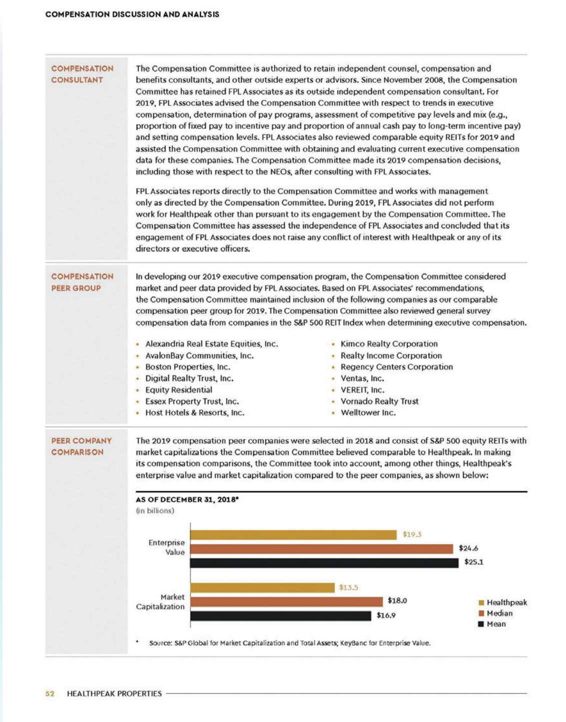
https://filecache.investorroom.com/mr5ir_healthpeakproperties/424/Healthpeak%20Properties_Proxy_2020.pdf



COMPENSATION DISCUSSION AND ANALYSIS

Compensation Policies and Practices

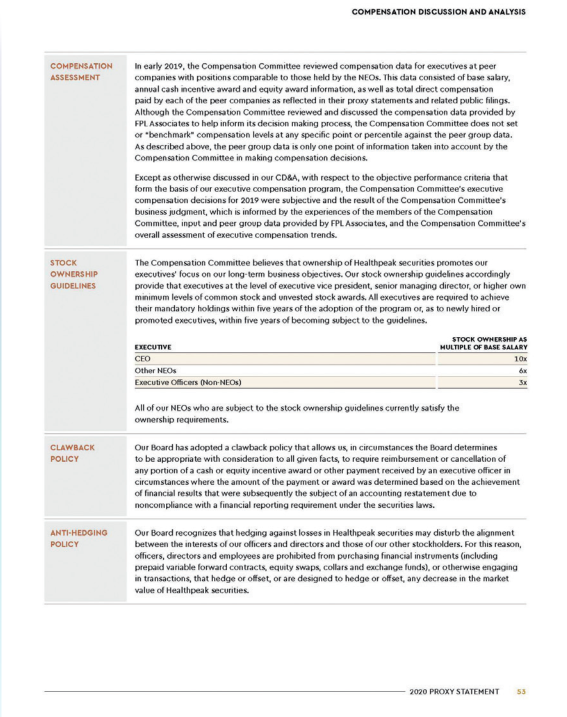
COMPENSATION RISK ASSESSMENT	We believe that any risks arising from our compensation program are not reasonably likely to have a material adverse effect on us for the reasons outlined below. Base salaries are fixed in amount and thus do not encourage inappropriate or excessive risk taking. Our executive incentive compensation balances quantitative and qualitative performance assessments. While the STIP, our annual cash incentive plan, focuses on annual goals, we cap awards under the plan and require a threshold level of Company performance. Only once a pre-determined threshold is met are our executives also eligible for a cash incentive award based on individual performance criteria. This individual performance award may only be reduced from the High achievement level (and not increased) by the Compensation Committee based on any factors it deems appropriate. The Compensation Committee believes that the STIP appropriately balances risk and the desire to focus executives on specific annual goals important to our success. A substantial portion of our executives' compensation is in the form of equity awards to further align executive and stockholder interests. The Compensation Committee believes that the LTIP awards do not encourage unnecessary or excessive risk taking because the ultimate value of the awards is tied to our performance and stock price, and because the awards are subject to long-term vesting schedules based on forward-looking performance goals. Additionally, our stock ownership guidelines help ensure that executives have significant value tied to our performance. Furthermore, as discussed below, the executive officers are subject to a clawback policy, which permits us to recover incentive compensation received by such officers in the event the amount of the payment or award was determined based on the achievement of financial results that were subsequently the subject of an accounting restatement due to noncompliance with a financial reporting requirement under the securities laws.
POLICY REGARDING EXECUTIVE EMPLOYMENT AGREEMENTS	Our Severance Plan and Executive Change in Control Severance Plan (the "CIC Plan") (as both are further described under "Potential Payments upon a Termination or Change in Control Severance Arrangements" below) provide severance protections without the use of individual employment agreements with the Company's executives. Our severance plans, which operate in lieu of individual contractual arrangements, provide standardized severance benefits for our executives. Our general policy against executive employment agreements also eliminates guaranteed base salaries and incentive levels, which allows the Company to focus on pay for performance and other factors that the Compensation Committee deems relevant in setting executive compensation, without contractual restrictions.



COMPENSATION DISCUSSION AND ANALYSIS

COMPENSATION CONSULTANT	The Compensation Committee is authorized to retain independent counsel, compensation and benefits consultants, and other outside experts or advisors. Since November 2008, the Compensation Committee has retained FPL Associates as its outside independent compensation consultant. For 2019, FPL Associates advised the Compensation Committee with respect to trends in executive compensation, determination of pay programs, assessment of competitive pay levels and mix (e.g., proportion of fixed pay to incentive pay and proportion of annual cash pay to long-term incentive pay) and setting compensation levels. FPL Associates also reviewed comparable equity REITs for 2019 and assisted the Compensation Committee with obtaining and evaluating current executive compensation data for these companies. The Compensation Committee made its 2019 compensation decisions, including those with respect to the NEOs, after consulting with FPL Associates. FPL Associates reports directly to the Compensation Committee and works with management only as directed by the Compensation Committee. During 2019, FPL Associates did not perform work for Healthpeak other than pursuant to its engagement by the Compensation Committee. The Compensation Committee has assessed the independence of FPL Associates and concluded that its engagement of FPL Associates does not raise any conflict of interest with Healthpeak or any of its directors or executive officers.
COMPENSATION PEER GROUP	In developing our 2019 executive compensation program, the Compensation Committee considered market and peer data provided by FPL Associates. Based on FPL Associates' recommendations, the Compensation Committee maintained inclusion of the following companies as our comparable compensation peer group for 2019. The Compensation Committee also reviewed general survey compensation data from companies in the S&P 500 REIT Index when determining executive compensation. • Alexandria Real Estate Equities, Inc. • AvalonBay Communities, Inc. • Boston Properties, Inc. • Digital Realty Trust, Inc. • Equity Residential • Essex Property Trust, Inc. • Host Hotels & Resorts, Inc. • Kimco Realty Corporation • Realty Income Corporation • Regency Centers Corporation • Ventas, Inc. • VEREIT, Inc. • Vornado Realty Trust • Welltower Inc.
PEER COMPANY COMPARISON	The 2019 compensation peer companies were selected in 2018 and consist of S&P 500 equity REITs with market capitalizations the Compensation Committee believed comparable to Healthpeak. In making its compensation comparisons, the Committee took into account, among other things, Healthpeak's enterprise value and market capitalization compared to the peer companies, as shown below: AS OF DECEMBER 31, 2018* (in billions) Enterprise Value: $19.3 / $24.6 / $25.1 Market Capitalization: $13.5 / $18.0 / $16.9 Healthpeak / Median / Mean * Source: S&P Global for Market Capitalization and Total Assets; KeyBanc for Enterprise Value.

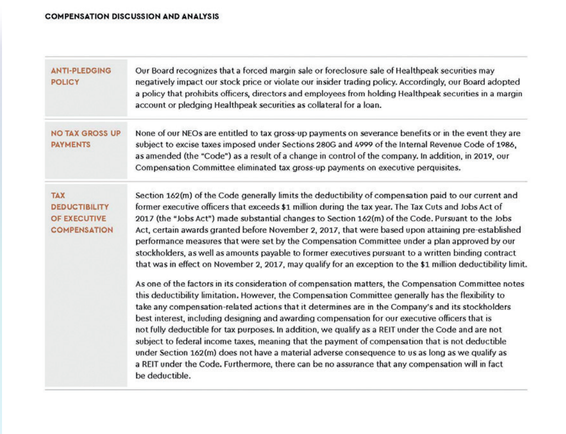
52 HEALTHPEAK PROPERTIES



COMPENSATION DISCUSSION AND ANALYSIS

COMPENSATION ASSESSMENT	In early 2019, the Compensation Committee reviewed compensation data for executives at peer companies with positions comparable to those held by the NEOs. This data consisted of base salary, annual cash incentive award and equity award information, as well as total direct compensation paid by each of the peer companies as reflected in their proxy statements and related public filings. Although the Compensation Committee reviewed and discussed the compensation data provided by FPL Associates to help inform its decision making process, the Compensation Committee does not set or "benchmark" compensation levels at any specific point or percentile against the peer group data. As described above, the peer group data is only one point of information taken into account by the Compensation Committee in making compensation decisions. Except as otherwise discussed in our CD&A, with respect to the objective performance criteria that form the basis of our executive compensation program, the Compensation Committee's executive compensation decisions for 2019 were subjective and the result of the Compensation Committee's business judgment, which is informed by the experiences of the members of the Compensation Committee, input and peer group data provided by FPL Associates, and the Compensation Committee's overall assessment of executive compensation trends.
STOCK OWNERSHIP GUIDELINES	The Compensation Committee believes that ownership of Healthpeak securities promotes our executives' focus on our long-term business objectives. Our stock ownership guidelines accordingly provide that executives at the level of executive vice president, senior managing director, or higher own minimum levels of common stock and unvested stock awards. All executives are required to achieve their mandatory holdings within five years of the adoption of the program or, as to newly hired or promoted executives, within five years of becoming subject to the guidelines. EXECUTIVE — STOCK OWNERSHIP AS MULTIPLE OF BASE SALARY CEO — 10x Other NEOs — 6x Executive Officers (Non-NEOs) — 3x All of our NEOs who are subject to the stock ownership guidelines currently satisfy the ownership requirements.
CLAWBACK POLICY	Our Board has adopted a clawback policy that allows us, in circumstances the Board determines to be appropriate with consideration to all given facts, to require reimbursement or cancellation of any portion of a cash or equity incentive award or other payment received by an executive officer in circumstances where the amount of the payment or award was determined based on the achievement of financial results that were subsequently the subject of an accounting restatement due to noncompliance with a financial reporting requirement under the securities laws.
ANTI-HEDGING POLICY	Our Board recognizes that hedging against losses in Healthpeak securities may disturb the alignment between the interests of our officers and directors and those of our other stockholders. For this reason, officers, directors and employees are prohibited from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds), or otherwise engaging in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of Healthpeak securities.

2020 PROXY STATEMENT 53



COMPENSATION DISCUSSION AND ANALYSIS

ANTI-PLEDGING POLICY	Our Board recognizes that a forced margin sale or foreclosure sale of Healthpeak securities may negatively impact our stock price or violate our insider trading policy. Accordingly, our Board adopted a policy that prohibits officers, directors and employees from holding Healthpeak securities in a margin account or pledging Healthpeak securities as collateral for a loan.
NO TAX GROSS UP PAYMENTS	None of our NEOs are entitled to tax gross-up payments on severance benefits or in the event they are subject to excise taxes imposed under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code") as a result of a change in control of the company. In addition, in 2019, our Compensation Committee eliminated tax gross-up payments on executive perquisites.
TAX DEDUCTIBILITY OF EXECUTIVE COMPENSATION	Section 162(m) of the Code generally limits the deductibility of compensation paid to our current and former executive officers that exceeds $1 million during the tax year. The Tax Cuts and Jobs Act of 2017 (the "Jobs Act") made substantial changes to Section 162(m) of the Code. Pursuant to the Jobs Act, certain awards granted before November 2, 2017, that were based upon attaining pre-established performance measures that were set by the Compensation Committee under a plan approved by our stockholders, as well as amounts payable to former executives pursuant to a written binding contract that was in effect on November 2, 2017, may qualify for an exception to the $1 million deductibility limit. As one of the factors in its consideration of compensation matters, the Compensation Committee notes this deductibility limitation. However, the Compensation Committee generally has the flexibility to take any compensation-related actions that it determines are in the Company's and its stockholders best interest, including designing and awarding compensation for our executive officers that is not fully deductible for tax purposes. In addition, we qualify as a REIT under the Code and are not subject to federal income taxes, meaning that the payment of compensation that is not deductible under Section 162(m) does not have a material adverse consequence to us as long as we qualify as a REIT under the Code. Furthermore, there can be no assurance that any compensation will in fact be deductible.

Western Digital

OTHER PROGRAM FEATURES AND POLICIES (PAGES 59-61)

https://www.sec.gov/Archives/edgar/data/106040/000120677419003336/wdc_courtesy-pdf.pdf

OTHER PROGRAM FEATURES AND POLICIES

Perquisites

We provide our executive officers with limited perquisites, consisting principally of a $5,000 annual allowance for financial planning services (net of taxes), which is available to other officers in our company, and a monthly transitional housing and travel allowance, which is currently provided to two executives who relocated for their current roles. None of our named executive officers has received a transitional housing and travel allowance.

We did not provide any tax gross-up payments to our named executive officers, except as to the modest financial planning services in accordance with the terms of the program, to the extent permitted by applicable tax law and to the extent these benefits are taxable to the participant.

401(k) Plan Benefits

We provide retirement benefits to our executive officers and other eligible employees under the terms of our 401(k) Plan. Eligible employees may contribute up to 30% of their annual cash compensation up to a maximum amount allowed by the Internal Revenue Code, and are also eligible for matching contributions, which vest over a two-year service period. Our executive officers participate in the 401(k) Plan on substantially the same terms as our other participating employees. The 401(k) Plan and our matching contributions are designed to assist us in achieving our compensation objectives of attracting and retaining talented individuals and ensuring that our executive compensation program is competitive and equitable. We do not maintain any defined benefit supplemental retirement plans for our executive officers.

Deferred Compensation Opportunities

Our executives and certain other key employees who are subject to U.S. federal income taxes are eligible to participate in our Deferred Compensation Plan. Participants in our Deferred Compensation Plan can elect to defer certain compensation without regard to the tax code limitations applicable to tax-qualified plans. We did not make any company matching or discretionary contributions to our Deferred Compensation Plan on behalf of participants in fiscal 2019. Our Deferred Compensation Plan is intended to promote retention by providing employees with an opportunity to save for retirement in a tax-efficient manner. Please see the "Fiscal 2019 Non-Qualified Deferred Compensation Table" and related narrative section entitled "Non-Qualified Deferred Compensation Plan" in the "Executive Compensation Tables and Narratives" section of this Proxy Statement for a more detailed description of our Deferred Compensation Plan and the deferred compensation amounts that our executives have deferred under the plan.

Severance Protections

Our philosophy is that, outside of a change in control context, severance protections are only appropriate in the event an executive is involuntarily terminated without "cause." Under our Executive Severance Plan and equity award agreements, in such circumstances our executive officers are entitled to:

- Two years' base salary
- A pro rata target bonus for the bonus cycle in which the termination occurs
- Six months' accelerated vesting of time-based equity awards (or, in certain circumstances for awards granted in fiscal 2019 and later, prorated vesting) and prorated vesting based on actual performance for PSUs
- Payment for COBRA continuation of health benefits for 18 months
- Outplacement services for 12 months
- No tax gross-up provisions

We believe these severance benefits are appropriate in light of severance protections available to executives at our peer group companies and are an important component of each executive's overall compensation as they help us to attract and retain our key executives who could have other job alternatives that may appear to them to be more attractive absent these protections.

Change in Control Protections

Change of Control Severance Plan

We believe that the occurrence or potential occurrence of a change in control transaction will create uncertainty regarding the continued employment of our executive officers. This uncertainty results from the fact that many change in control transactions result in significant organizational changes, particularly at the senior executive level. To encourage executives to remain employed with us during an important time when their prospects for continued employment following the transaction are often uncertain, we provide our executives with additional severance protections under our Change of Control Severance Plan. We also provide these severance protections to help ensure that executives can objectively evaluate change in control transactions that may be in the best interests of stockholders despite the potential negative consequences such transactions may have on them personally.

Under our Change of Control Severance Plan, eligible executives receive benefits if they are terminated by us without "cause" or if the executive voluntarily terminates for "good reason" in connection with or within one year after a "change in control" event. "Good reason" generally includes certain materially adverse changes in responsibilities, compensation, benefits or location of work place.

These double-trigger severance benefits generally consist of:

- An amount equal to two times the sum of the executive's annual base salary and target bonus
- Accelerated vesting of equity awards
- Continued health and welfare benefits for 24 months
- No tax gross-up provisions

We believe these severance protections are appropriate in light of severance protections available to executives at our peer group companies and are an important component of each executive's overall compensation as they help us to attract and retain our key executives who could have other job alternatives that may appear to them to be more attractive absent these protections.

Double-Trigger Acceleration Under Equity Incentive Plans

We only provide full acceleration of equity awards held by our executive officers in connection with a change in control in the event of a qualifying termination of employment without "cause" or for "good reason" (not merely because the change in control occurred) or in certain circumstances where the award is to terminate in connection with the change in control.

Please see the section entitled "Executive Compensation Tables and Narratives—Potential Payments upon Termination or Change in Control" for a description and quantification of the potential payments that may be made to the executive officers in connection with their termination of employment or a change in control.

Employment Agreements

The Compensation Committee does not have an established policy for entering into employment agreements with executive officers. Generally, absent other factors, the Compensation Committee's intent is to retain the flexibility to review and adjust compensation for our executive officers on at least an annual basis. None of our executive officers is currently party to an employment agreement with us. In August 2019, we entered into an advisory agreement with Mr. Fink relating to limited services he will continue to provide to us following his retirement.

Compensation Recovery (Clawback) Policy

Our Board of Directors adopted by resolution a compensation recovery (clawback) policy whereby in the event of a restatement of our company's audited financial statements involving misconduct by an executive officer, a Board committee will consider whether such officer engaged in intentional financial accounting misconduct such that the officer should disgorge any net option exercise profits or cash bonuses attributable to such misconduct. Our 2017 Performance Incentive Plan also provides that the plan administrator has the right to provide in the terms of any award or agreement that awards granted under the plan be subject to the provisions of any clawback or similar policy adopted by us, which may require the award recipient to repay any proceeds or gains and forfeit the award.

Misconduct Policies

We maintain several policies relating to employee misconduct. In the event an executive's employment is terminated for cause due to the executive's misconduct or violation of company policy, among other reasons, the executive will forfeit all outstanding incentives, including unearned or unvested LTI and STI awards. In addition, the executive would not be eligible for severance benefits.

Executive Stock Ownership Guidelines

To help achieve our compensation objective of linking the interests of our stockholders with those of our executive officers, we established executive stock ownership guidelines covering our senior officers, including our named executive officers. The guidelines provide that each officer must achieve ownership of a number of "qualifying shares" with a market value equal to the specified multiple of the officer's base salary in effect upon the date he or she first becomes subject to the guidelines shown below.

Position	Multiple
Chief Executive Officer	5 x Salary
President and Division Presidents	3 x Salary
Executive Vice Presidents	2 x Salary
Senior Vice Presidents	1 x Salary

Each officer must achieve ownership of the required market value of shares within three years of becoming subject to the guidelines. Thereafter, the officer must maintain ownership of at least the number of shares that were necessary to meet the executive's required market value of ownership on the date the requirement was first achieved (subject to certain adjustments in the event of a change in base salary or position). Ownership that counts toward the guidelines includes common stock, RSUs, PSUs, deferred stock units and common stock beneficially owned by the officer by virtue of being held in a trust, by a spouse or by the executive's minor children. Shares the officer has a right to acquire through the exercise of stock options (whether or not vested) are not counted toward the stock ownership requirement. All of our current officers who are subject to these guidelines have met their required ownership level as of the date of this Proxy Statement.

Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code ("Section 162(m)") generally disallows a tax deduction to public companies for compensation in excess of $1 million paid to a company's chief executive officer and certain current and former executive officers. Certain awards granted before November 2, 2017 that were based upon attaining pre-established performance measures that were set by the Compensation Committee under a plan approved by our stockholders, as well as amounts payable to former executives pursuant to a written binding contract that was in effect on November 2, 2017, may qualify for an exception to the $1 million deductibility limit. The Compensation Committee considers, among other relevant factors, the deductibility of compensation when it reviews our compensation plans and policies. However, there can be no assurance that any compensation will, in fact, be deductible, and the Compensation Committee may award non-deductible compensation when it determines it to be appropriate.

Other Compensation Disclosure Enhancements

Presentation of Base Salary

- The amounts of base salary, including the increase (or decrease), are presented graphically instead of just the usual table with names and numbers.

Alleghany

SALARY (PAGE 41)

https://d18rn0p25nwr6d.cloudfront.net/CIK-0000775368/e278008f-4e0f-4994-be36-d33474eaf6f2.pdf

Salary

We seek to pay salaries that are sufficiently competitive to attract and retain executive talent. The Compensation Committee generally makes salary adjustments annually, in consultation with its compensation consultant, based on salaries for the prior year, general inflation, individual performance and internal comparability considerations. The following actions were taken with respect to 2019 salaries for our Named Executive Officers:

	2019 and 2018 Salary ($)	Rationale
Mr. Hicks	2019 $1,075,000 ▲ 2018 $1,030,000	4% increase reflecting 2018 contributions and continued emphasis on performance-linked compensation.
Mr. Brandon	2019 $910,000 ▲ 2018 $875,000	4% increase reflecting 2018 contributions and continued emphasis on performance-linked compensation.
Mr. Dalrymple	2019 $720,000 ▲ 2018 $690,000	4% increase reflecting 2018 contributions and continued emphasis on performance-linked compensation.
Ms. Jacobs(1)	2019 $500,000(2) ▲ 2018 $375,000	33% increase reflecting Ms. Jacobs' promotion to Senior Vice President and chief financial officer in July 2019.
Mr. Sennott(3)	2019 $720,000 ▲ 2018 $690,000	4% increase reflecting 2018 contributions and continued emphasis on performance-linked compensation.

(1) Ms. Jacobs was appointed Senior Vice President and chief financial officer of Alleghany effective July 1, 2019.

(2) Ms. Jacobs' 2019 annual salary increased from $400,000 to $500,000 effective July 1, 2019.

(3) Mr. Sennott resigned from his position as Senior Vice President and chief financial officer of Alleghany effective July 1, 2019 in connection with his appointment as President and Chief Executive Officer of CapSpecialty.

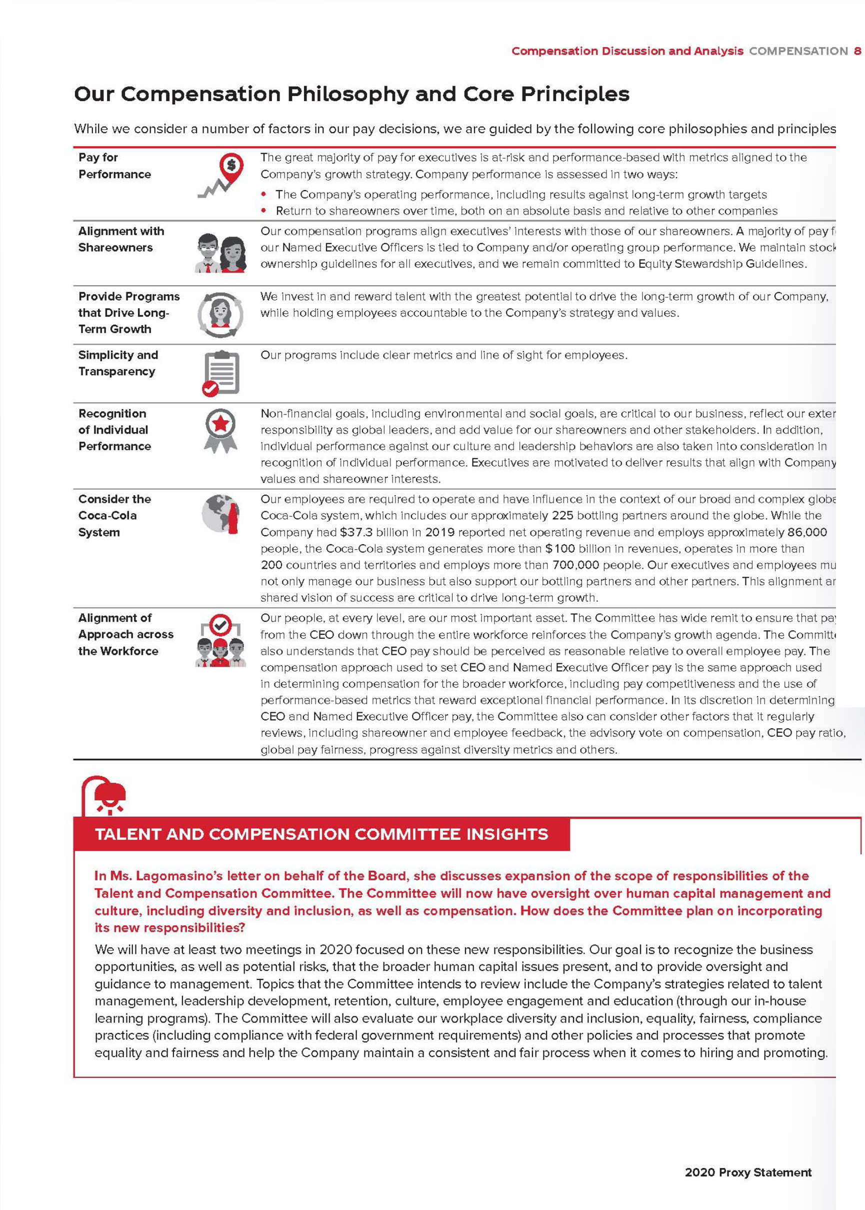
Compensation Committee Insights

- Coca-Cola places “Talent and Compensation Committee Insight” boxes to further explain the contents in some sections.

Coca-Cola

PAGES 47, 50 AND 60

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



Compensation Discussion and Analysis COMPENSATION 8

Our Compensation Philosophy and Core Principles

While we consider a number of factors in our pay decisions, we are guided by the following core philosophies and principles

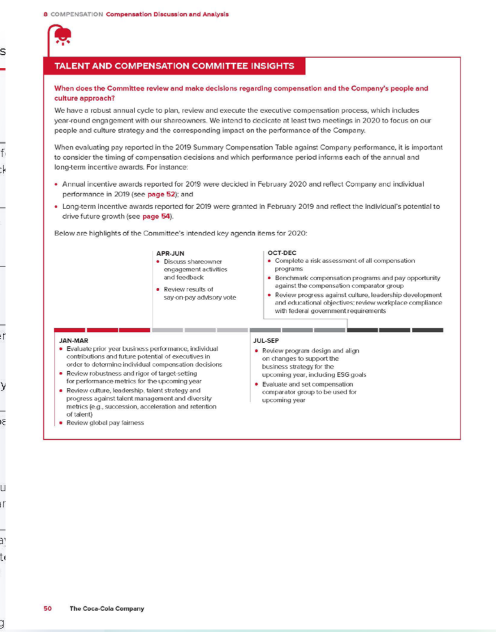
Pay for Performance	The great majority of pay for executives is at-risk and performance-based with metrics aligned to the Company's growth strategy. Company performance is assessed in two ways: • The Company's operating performance, including results against long-term growth targets • Return to shareowners over time, both on an absolute basis and relative to other companies
Alignment with Shareowners	Our compensation programs align executives' interests with those of our shareowners. A majority of pay f our Named Executive Officers is tied to Company and/or operating group performance. We maintain stock ownership guidelines for all executives, and we remain committed to Equity Stewardship Guidelines.
Provide Programs that Drive Long-Term Growth	We invest in and reward talent with the greatest potential to drive the long-term growth of our Company, while holding employees accountable to the Company's strategy and values.
Simplicity and Transparency	Our programs include clear metrics and line of sight for employees.
Recognition of Individual Performance	Non-financial goals, including environmental and social goals, are critical to our business, reflect our exter responsibility as global leaders, and add value for our shareowners and other stakeholders. In addition, individual performance against our culture and leadership behaviors are also taken into consideration in recognition of individual performance. Executives are motivated to deliver results that align with Company values and shareowner interests.
Consider the Coca-Cola System	Our employees are required to operate and have influence in the context of our broad and complex globe Coca-Cola system, which includes our approximately 225 bottling partners around the globe. While the Company had $37.3 billion in 2019 reported net operating revenue and employs approximately 86,000 people, the Coca-Cola system generates more than $100 billion in revenues, operates in more than 200 countries and territories and employs more than 700,000 people. Our executives and employees mu not only manage our business but also support our bottling partners and other partners. This alignment ar shared vision of success are critical to drive long-term growth.
Alignment of Approach across the Workforce	Our people, at every level, are our most important asset. The Committee has wide remit to ensure that pay from the CEO down through the entire workforce reinforces the Company's growth agenda. The Committe also understands that CEO pay should be perceived as reasonable relative to overall employee pay. The compensation approach used to set CEO and Named Executive Officer pay is the same approach used in determining compensation for the broader workforce, including pay competitiveness and the use of performance-based metrics that reward exceptional financial performance. In its discretion in determining CEO and Named Executive Officer pay, the Committee also can consider other factors that it regularly reviews, including shareowner and employee feedback, the advisory vote on compensation, CEO pay ratio, global pay fairness, progress against diversity metrics and others.

TALENT AND COMPENSATION COMMITTEE INSIGHTS

In Ms. Lagomasino's letter on behalf of the Board, she discusses expansion of the scope of responsibilities of the Talent and Compensation Committee. The Committee will now have oversight over human capital management and culture, including diversity and inclusion, as well as compensation. How does the Committee plan on incorporating its new responsibilities?

We will have at least two meetings in 2020 focused on these new responsibilities. Our goal is to recognize the business opportunities, as well as potential risks, that the broader human capital issues present, and to provide oversight and guidance to management. Topics that the Committee intends to review include the Company's strategies related to talent management, leadership development, retention, culture, employee engagement and education (through our in-house learning programs). The Committee will also evaluate our workplace diversity and inclusion, equality, fairness, compliance practices (including compliance with federal government requirements) and other policies and processes that promote equality and fairness and help the Company maintain a consistent and fair process when it comes to hiring and promoting.

2020 Proxy Statement



8 COMPENSATION Compensation Discussion and Analysis

TALENT AND COMPENSATION COMMITTEE INSIGHTS

When does the Committee review and make decisions regarding compensation and the Company's people and culture approach?

We have a robust annual cycle to plan, review and execute the executive compensation process, which includes year-round engagement with our shareowners. We intend to dedicate at least two meetings in 2020 to focus on our people and culture strategy and the corresponding impact on the performance of the Company.

When evaluating pay reported in the 2019 Summary Compensation Table against Company performance, it is important to consider the timing of compensation decisions and which performance period informs each of the annual and long-term incentive awards. For instance:

- Annual incentive awards reported for 2019 were decided in February 2020 and reflect Company and individual performance in 2019 (see page 52); and
- Long-term incentive awards reported for 2019 were granted in February 2019 and reflect the individual's potential to drive future growth (see page 54).

Below are highlights of the Committee's intended key agenda items for 2020:

50 The Coca-Cola Company

8 COMPENSATION Compensation Discussion and Analysis

2019 Compensation Decisions for Named Executive Officers

TALENT AND COMPENSATION COMMITTEE INSIGHTS

James Quincey Chairman of the Board and Chief Executive Officer

60 The Coca-Cola Company

Graphic Presentation of Goals and Performance

- UTHR presents their 3-year revenue performance by comparing it with Wall Street analysts' expectations, which was also the basis of their threshold, target and maximum goals. The amounts are presented using bar charts instead of the usual sliding charts. This allows easy comparison of all the amounts.

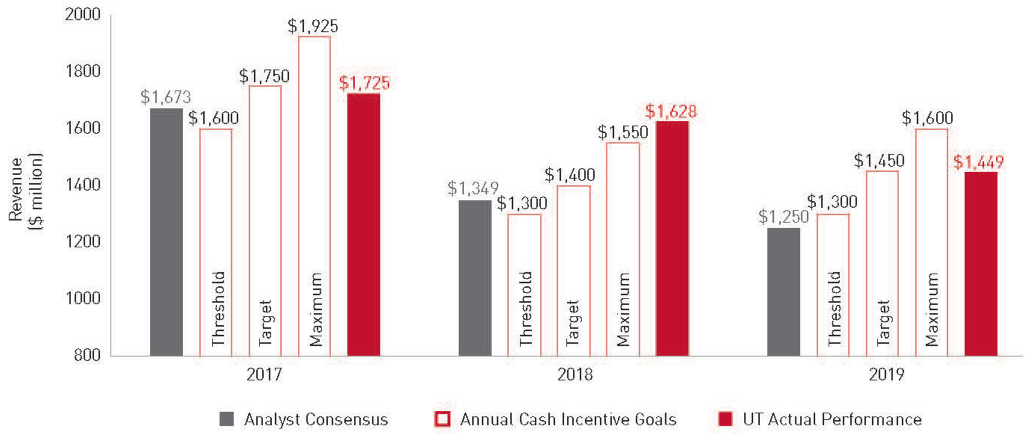
United Therapeutics

ROBUST GOAL -SETTING (PAGE 18)

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

Robust Goal-Setting

We continue to set difficult goals under our annual Company-Wide Milestone Program, which governs cash bonuses for our Named Executive Officers. As one example, the chart below shows our revenue targets for the past three years, our actual revenue performance, and how this compares to the expectations of wall street analysts following our company. While we have seen a decrease in our revenues due to the generic competition described above, we continue to set goals well above external expectations, and to deliver against those goals.



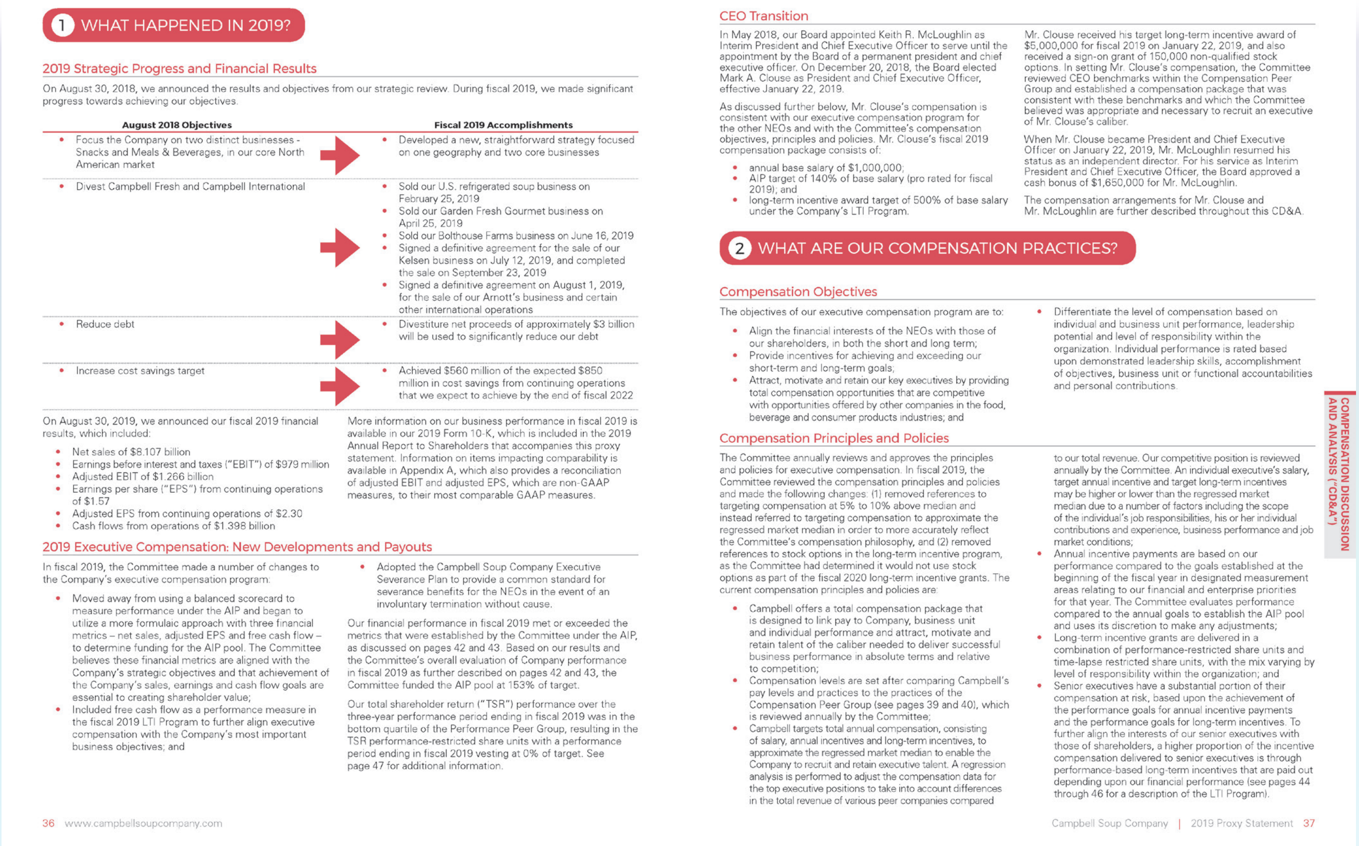
Adopting a Q&A Format

- Campbell's uses questions as the main titles of the sections in their CD&A like "What Happened in 2019?" and "What Are Our Compensation Practices?"

Campbell's

PAGES 36-37

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



1 WHAT HAPPENED IN 2019?

2019 Strategic Progress and Financial Results

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

August 2018 Objectives	Fiscal 2019 Accomplishments
• Focus the Company on two distinct businesses - Snacks and Meals & Beverages, in our core North American market	• Developed a new, straightforward strategy focused on one geography and two core businesses
• Divest Campbell Fresh and Campbell International	• Sold our U.S. refrigerated soup business on February 25, 2019 • Sold our Garden Fresh Gourmet business on April 25, 2019 • Sold our Bolthouse Farms business on June 16, 2019 • Signed a definitive agreement for the sale of our Kelsen business on July 12, 2019, and completed the sale on September 23, 2019 • Signed a definitive agreement on August 1, 2019, for the sale of our Arnott's business and certain other international operations
• Reduce debt	• Divestiture net proceeds of approximately $3 billion will be used to significantly reduce our debt
• Increase cost savings target	• Achieved $560 million of the expected $850 million in cost savings from continuing operations that we expect to achieve by the end of fiscal 2022

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

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

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

2019 Executive Compensation: New Developments and Payouts

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

- Moved away from using a balanced scorecard to measure performance under the AIP and began to utilize a more formulaic approach with three financial metrics – net sales, adjusted EPS and free cash flow – to determine funding for the AIP pool. The Committee believes these financial metrics are aligned with the Company's strategic objectives and that achievement of the Company's sales, earnings and cash flow goals are essential to creating shareholder value;
- Included free cash flow as a performance measure in the fiscal 2019 LTI Program to further align executive compensation with the Company's most important business objectives; and
- Adopted the Campbell Soup Company Executive Severance Plan to provide a common standard for severance benefits for the NEOs in the event of an involuntary termination without cause.

Our financial performance in fiscal 2019 met or exceeded the metrics that were established by the Committee under the AIP, as discussed on pages 42 and 43. Based on our results and the Committee's overall evaluation of Company performance in fiscal 2019 as further described on pages 42 and 43, the Committee funded the AIP pool at 153% of target.

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

36 www.campbellsoupcompany.com

CEO Transition

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

As discussed further below, Mr. Clouse's compensation is consistent with our executive compensation program for the other NEOs and with the Committee's compensation objectives, principles and policies. Mr. Clouse's fiscal 2019 compensation package consists of:

- annual base salary of $1,000,000;
- AIP target of 140% of base salary (pro rated for fiscal 2019); and
- long-term incentive award target of 500% of base salary under the Company's LTI Program.

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

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

The compensation arrangements for Mr. Clouse and Mr. McLoughlin are further described throughout this CD&A.

2 WHAT ARE OUR COMPENSATION PRACTICES?

Compensation Objectives

The objectives of our executive compensation program are to:

- Align the financial interests of the NEOs with those of our shareholders, in both the short and long term;
- Provide incentives for achieving and exceeding our short-term and long-term goals;
- Attract, motivate and retain our key executives by providing total compensation opportunities that are competitive with opportunities offered by other companies in the food, beverage and consumer products industries; and
- Differentiate the level of compensation based on individual and business unit performance, leadership potential and level of responsibility within the organization. Individual performance is rated based upon demonstrated leadership skills, accomplishment of objectives, business unit or functional accountabilities and personal contributions.

Compensation Principles and Policies

The Committee annually reviews and approves the principles and policies for executive compensation. In fiscal 2019, the Committee reviewed the compensation principles and policies and made the following changes: (1) removed references to targeting compensation at 5% to 10% above median and instead referred to targeting compensation to approximate the regressed market median in order to more accurately reflect the Committee's compensation philosophy, and (2) removed references to stock options in the long-term incentive program, as the Committee had determined it would not use stock options as part of the fiscal 2020 long-term incentive grants. The current compensation principles and policies are:

- Campbell offers a total compensation package that is designed to link pay to Company, business unit and individual performance and attract, motivate and retain talent of the caliber needed to deliver successful business performance in absolute terms and relative to competition;
- Compensation levels are set after comparing Campbell's pay levels and practices to the practices of the Compensation Peer Group (see pages 39 and 40), which is reviewed annually by the Committee;
- Campbell targets total annual compensation, consisting of salary, annual incentives and long-term incentives, to approximate the regressed market median to enable the Company to recruit and retain executive talent. A regression analysis is performed to adjust the compensation data for the top executive positions to take into account differences in the total revenue of various peer companies compared to our total revenue. Our competitive position is reviewed annually by the Committee. An individual executive's salary, target annual incentive and target long-term incentives may be higher or lower than the regressed market median due to a number of factors including the scope of the individual's job responsibilities, his or her individual contributions and experience, business performance and job market conditions;
- Annual incentive payments are based on our performance compared to the goals established at the beginning of the fiscal year in designated measurement areas relating to our financial and enterprise priorities for that year. The Committee evaluates performance compared to the annual goals to establish the AIP pool and uses its discretion to make any adjustments;
- Long-term incentive grants are delivered in a combination of performance-restricted share units and time-lapse restricted share units, with the mix varying by level of responsibility within the organization; and
- Senior executives have a substantial portion of their compensation at risk, based upon the achievement of the performance goals for annual incentive payments and the performance goals for long-term incentives. To further align the interests of our senior executives with those of shareholders, a higher proportion of the incentive compensation delivered to senior executives is through performance-based long-term incentives that are paid out depending upon our financial performance (see pages 44 through 46 for a description of the LTI Program).

COMPENSATION DISCUSSION AND ANALYSIS ("CD&A")

Campbell Soup Company | 2019 Proxy Statement 37

- UTHR adopts a Q&A format to discuss other details about their four-year grant of stock options.

United Therapeutics

ADDITIONAL QUESTIONS AND ANSWERS REGARDING THE FOUR-YEAR GRANT (PAGE 60)

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

Additional questions and answers regarding the four-year grant

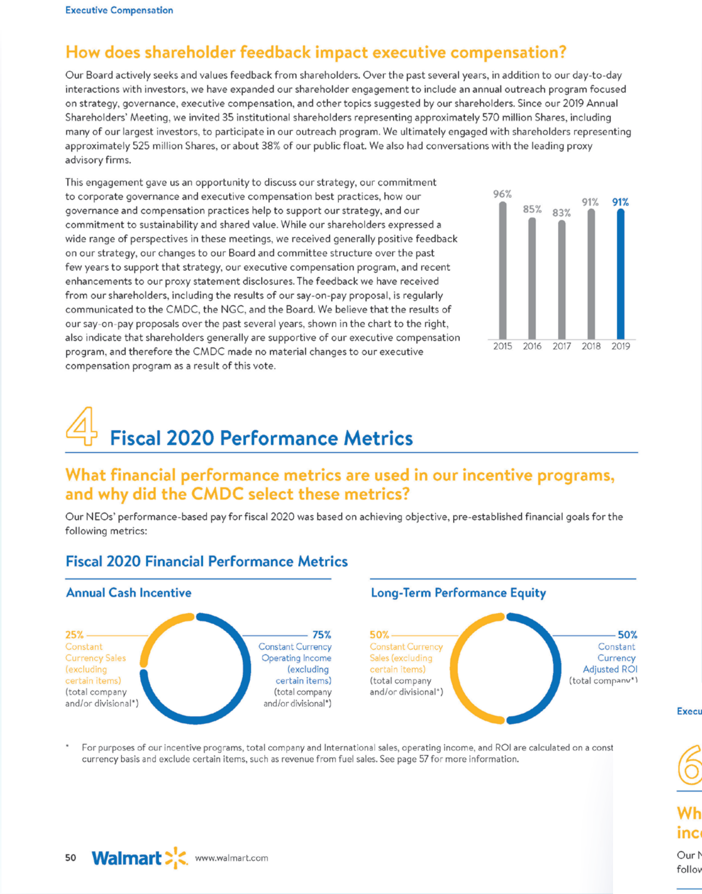
Q	A
Why a four-year period, instead of a shorter period (e.g., three years)?	We have a very aggressive four-year business plan that will require execution on the part of our management team. The four-year period covered by these awards aligns with critical business objectives that must be met in order to achieve this plan and drive shareholder returns. This includes launching new products (*e.g.* Remunity, ISR, Treprostinil Technosphere), tackling new indications (*e.g.* PH-ILD and PH-COPD), and overcoming the generic challenges to Remodulin. This four-year grant incentivizes the delivery of these key objectives over this critical four-year period.
Will you issue additional equity awards during the four-year period?	Our Compensation Committee does not intend to award any additional equity-based awards to our Named Executive Officers during the four-year period 2019-2022.
How did you decide on a 15% performance premium 50% of the award?	Our Compensation Committee reviewed this element of the program carefully, reviewing recent trading history of our common stock, and taking account of the general rule of thumb that a 10% premium is often deemed sufficient by proxy advisory firms and shareholders to constitute a "performance-based" award. Our Compensation Committee ultimately decided to apply an even more rigorous 15% premium after reviewing the broader performance of our peer group seeking to ensure our performance goals remained in the top quartile of our peers.
Why didn't you add in a relative metric, like relative total shareholder return (TSR) as a performance condition?	Our Compensation Committee does not believe relative TSR would appropriately balance our incentives at this time. In fact, our Compensation Committee regarded our four-year grants as even more robust than a relative TSR metric, given that our stock price has to increase (even in a market downturn) in order for the awards to deliver value to the executives. We also examined the practices of our peer group, and only 28% use a relative TSR metric for their CEOs. We also believe that there are macro geo-political and sector-specific dynamics that can result in valuation disconnects — both positively and negatively — that place undue pressure on developing a perfect peer group for comparisons. We believe in setting goals, holding executives accountable, and aligning their long-term rewards to performance they can control. In our view relative TSR has too many external and extraneous factors that are not aligned with our strategy and would not be motivational.
Why 100% stock options? Why not a mix of options, RSUs and/or PSUs?	Our Compensation Committee feels strongly that stock options are the best lever for incentivizing our executives at this time. They have inherent performance criteria in that our executive team has to grow our stock price in order to realize any value, and in the case of premium-priced options they must grow the stock price an additional 15%. We prefer to reward executives for creating future value, not providing the embedded value that exists when you grant time-vested RSUs. We considered performance RSUs instead of options, but this would require setting metrics that we believe are already captured in our annual incentive plan. Our intention with this grant was to avoid redundant metrics between the annual and long-term plan, consistent with the requests and feedback of our shareholders.

- Walmart presents subheadings in question form like “”Who sets executive compensation at Walmart?” and “What factors are considered in setting Total Direct Compensation for our NEOs?”

Walmart

PAGES 50 AND 54

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



Executive Compensation

How does shareholder feedback impact executive compensation?

Our Board actively seeks and values feedback from shareholders. Over the past several years, in addition to our day-to-day interactions with investors, we have expanded our shareholder engagement to include an annual outreach program focused on strategy, governance, executive compensation, and other topics suggested by our shareholders. Since our 2019 Annual Shareholders' Meeting, we invited 35 institutional shareholders representing approximately 570 million Shares, including many of our largest investors, to participate in our outreach program. We ultimately engaged with shareholders representing approximately 525 million Shares, or about 38% of our public float. We also had conversations with the leading proxy advisory firms.

This engagement gave us an opportunity to discuss our strategy, our commitment to corporate governance and executive compensation best practices, how our governance and compensation practices help to support our strategy, and our commitment to sustainability and shared value. While our shareholders expressed a wide range of perspectives in these meetings, we received generally positive feedback on our strategy, our changes to our Board and committee structure over the past few years to support that strategy, our executive compensation program, and recent enhancements to our proxy statement disclosures. The feedback we have received from our shareholders, including the results of our say-on-pay proposal, is regularly communicated to the CMDC, the NGC, and the Board. We believe that the results of our say-on-pay proposals over the past several years, shown in the chart to the right, also indicate that shareholders generally are supportive of our executive compensation program, and therefore the CMDC made no material changes to our executive compensation program as a result of this vote.

4 Fiscal 2020 Performance Metrics

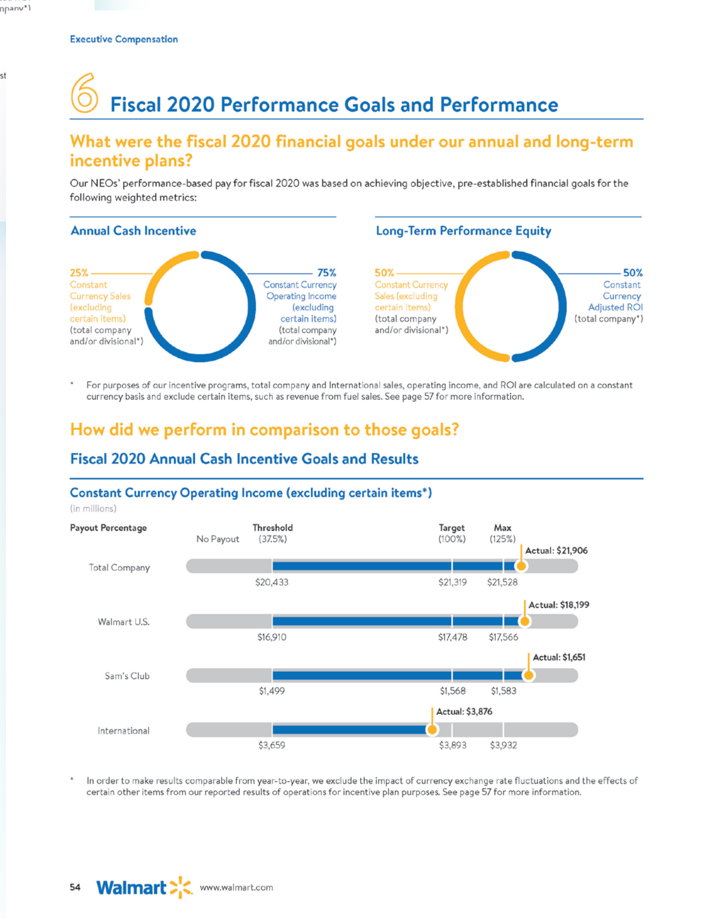
What financial performance metrics are used in our incentive programs, and why did the CMDC select these metrics?

Our NEOs' performance-based pay for fiscal 2020 was based on achieving objective, pre-established financial goals for the following metrics:

Fiscal 2020 Financial Performance Metrics

* For purposes of our incentive programs, total company and International sales, operating income, and ROI are calculated on a const currency basis and exclude certain items, such as revenue from fuel sales. See page 57 for more information.

50 Walmart www.walmart.com



Executive Compensation

6 Fiscal 2020 Performance Goals and Performance

What were the fiscal 2020 financial goals under our annual and long-term incentive plans?

Our NEOs' performance-based pay for fiscal 2020 was based on achieving objective, pre-established financial goals for the following weighted metrics:

* For purposes of our incentive programs, total company and International sales, operating income, and ROI are calculated on a constant currency basis and exclude certain items, such as revenue from fuel sales. See page 57 for more information.

How did we perform in comparison to those goals?

Fiscal 2020 Annual Cash Incentive Goals and Results

Constant Currency Operating Income (excluding certain items*)

(in millions)

* In order to make results comparable from year-to-year, we exclude the impact of currency exchange rate fluctuations and the effects of certain other items from our reported results of operations for incentive plan purposes. See page 57 for more information.

54 Walmart www.walmart.com

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About Argyle

We are a creative communications firm offering end-to-end, in-house execution capabilities.

Our experienced and passionate team is composed of attorneys, designers, project managers, thinkers and web developers. We collaborate together around a process that encompasses drafting, editing, designing and publishing across all digital and print channels.

We are thrilled that communications prepared by Argyle have contributed to trustful relationships between our clients and their readers, whether investors, employees or other stakeholders.

In turn, our commitment to our clients has resulted in meaningful long-term relationships with some of the most respected public and private companies in the world.