

MARSH & MCLENNAN COMPANIES, INC.
Form DEF 14A
April 01, 2016
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12
Marsh & McLennan Companies, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

Edgar Filing: MARSH & MCLENNAN COMPANIES, INC. - Form DEF 14A

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

Table of Contents

Table of Contents

Table of Contents

Notice of Annual Meeting of Stockholders and Proxy Statement

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Marsh & McLennan Companies, Inc. The meeting will be held at 10:00 a.m. on Thursday, May 19, 2016 at the Directors Guild of America, 110 West 57th Street, New York, NY 10019.

PURPOSE:

1. To elect eleven (11) persons named in the accompanying proxy statement to serve as directors for a one-year term;
2. To approve, by nonbinding vote, the compensation of our named executive officers;
3. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm; and
4. To conduct any other business that may properly come before the meeting.

Our Board of Directors recommends that you vote **FOR** the election of all director nominees, **FOR** the approval of the compensation of our named executive officers and **FOR** the ratification of the selection of Deloitte & Touche LLP.

This notice and proxy statement is being mailed or made available on the Internet to stockholders on or about April 1, 2016. These materials describe the matters being voted on at the annual meeting and contain certain other information. In addition, these materials are accompanied by a copy of the Company's 2015 Annual Report, which includes financial statements as of and for the fiscal year ended December 31, 2015. In these materials we refer to Marsh & McLennan Companies, Inc. as the Company, we and our.

Only stockholders of record as of close of business on March 21, 2016 may vote, in person or by proxy, at the annual meeting. If you plan to attend the meeting in person, you will need proof of record or beneficial ownership of the Company's common stock as of that date in order to enter the meeting.

If you accessed this proxy statement through the Internet after receiving a Notice of Internet Availability of Proxy Materials, you may cast your vote by telephone or over the Internet by following the instructions in that Notice. If you received this proxy statement by mail, you may cast your vote by mail, by telephone or over the Internet by following the instructions on the enclosed proxy card.

Whether or not you plan to attend the annual meeting, your vote is very important. We urge you to participate in electing directors and deciding the other items on the agenda for the annual meeting.

CAREY ROBERTS

Edgar Filing: MARSH & MCLENNAN COMPANIES, INC. - Form DEF 14A

Deputy General Counsel, Chief Compliance Officer & Corporate Secretary

April 1, 2016

[Marsh & McLennan Companies, Inc.](#) Notice of Annual Meeting and 2016 Proxy Statement

Table of Contents**Proxy Summary**

This summary highlights information contained elsewhere in this proxy statement. You should read the entire proxy statement carefully before voting.

Voting Matters	Page number for more information	Board vote recommendation
Election of Directors (Item 1) To elect eleven (11) persons named in the accompanying proxy statement to serve as directors for a one-year term	12	FOR
Advisory (Nonbinding) Vote to Approve Named		
Executive Officer Compensation (Item 2) To approve, by nonbinding vote, the compensation of our named executive officers	18	FOR
Ratification of Independent Auditor (Item 3) To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm	52	FOR

Key Governance Policies and Practices

- ii Our chairman of the Board is an independent director and the roles of chairman and CEO have been separate since 2005
- ii All of our directors other than our CEO are independent (92% independent)
- ii All of our directors are elected annually
- ii Directors must receive a majority of the votes cast to be elected in uncontested elections
- ii Our by-laws allow holders of at least 20% of the voting power of the Company's outstanding common stock to call a special meeting

- ii Executive sessions of independent directors are held at every regularly scheduled in-person meeting of the Board

 - ii Stock ownership guidelines for directors and senior executives

 - ii Prohibition on hedging transactions by directors and employees, including senior executives

 - ii Directors and senior executives must obtain pre-approval for any proposed pledges of Company stock
- i [Marsh & McLennan Companies, Inc. Notice of Annual Meeting and 2016 Proxy Statement](#)

Table of Contents

Proxy Summary (Continued)

Key Executive Compensation Policies and Practices

- ii Independent compensation consultant to the Compensation Committee

- ii High percentage of variable (at risk) pay for our senior executives

- ii Long-term incentive compensation for our senior executives is delivered predominantly in stock options and performance stock unit awards, the value of which is contingent on stock price appreciation or achievement of specific Company financial objectives

- ii Clawback policies for senior executive annual bonus awards and for equity-based compensation

- ii Severance protections for our senior executives, including our CEO, are at a 1x multiple of base salary and bonus

- ii Double-trigger vesting of equity-based awards and payment of severance benefits following a change in control of the Company

- ii No golden parachute excise tax gross-ups upon a change in control of the Company

- ii Mitigation of the potential dilutive effect of equity-based awards through our share repurchase program

- ii Annual advisory vote on named executive officer compensation by stockholders and strong stockholder support of the executive compensation program (98% in 2015 and 97% in 2014)

Highlights of Our 2015 Performance

In 2015, we continued to execute on our long-term financial and strategic objectives.

Our adjusted earnings per share (EPS) growth for 2015 was 8.2%*. Excluding the impact from currency exchange rate fluctuations, our adjusted EPS growth was 14.5%

We delivered 4% growth in underlying revenue while limiting underlying expense growth, leading to increased profitability for both the Risk and Insurance Services and Consulting segments for the sixth consecutive year

Our total stockholder return was 18.1% on a five-year annualized basis and -1.1% for 2015

We increased our quarterly dividend by 10.7%, from \$0.28 to \$0.31 per share, beginning in the third quarter of 2015

We used approximately \$1.4 billion in cash to repurchase approximately 24.8 million shares, reducing our outstanding common stock by approximately 18 million shares on a net basis

* GAAP EPS for 2015 was \$2.98. The impact from currency exchange rate fluctuations was (\$0.18) per share. For a reconciliation of our non-GAAP financial measures to GAAP financial measures and related disclosures, please see Exhibit A.

Table of Contents

Proxy Summary (Continued)

Highlights of Our 2015 Executive Compensation

Our strong performance with respect to 2015 financial and strategic objectives led to above-target bonuses for our named executive officers

Based on our 12.4% three-year annualized core net operating income (NOI) growth compared to a 10% long-term target, the payout for our 2013 performance stock unit (PSU) awards was 180% of target

Our equity run rate** in 2015 was 0.7%. Shares repurchased during the year more than offset the increase in shares attributable to the exercise of stock options and the distribution of shares for stock units from previously granted equity-based awards

We changed the financial performance measure used for corporate senior executives in the 2015 annual bonus program from EPS to NOI, each as modified for executive compensation purposes, so that NOI is now the financial performance measure for all senior executives, either at the Company or operating company level

We established a broader peer group for executive compensation purposes. The companies in our 2015 peer group aligned with the comparator group that we used to assess competitive financial performance under our 2015 annual bonus program

For our 2015 PSU awards, we changed the performance measure from core NOI growth to adjusted EPS growth as modified for executive compensation purposes, aligning with the priorities that support our strategy for creating long-term stockholder value, as outlined at our 2014 Investor Day. The Compensation Committee believes that it is appropriate to use different performance measures for our short-term and long-term incentive programs

** Equity run rate means the number of shares of our common stock underlying equity-based awards granted plus the number of shares of our common stock underlying equity-based awards assumed upon an acquisition (if any), divided by the weighted average number of shares of our common stock outstanding for the year.

iii [Marsh & McLennan Companies, Inc.](#) Notice of Annual Meeting and 2016 Proxy Statement

Table of Contents

Table of Contents

Corporate Governance	1
<u>Overview</u>	1
<u>Corporate Governance Practices</u>	1
<u>Guidelines for Corporate Governance</u>	2
<u>Director Independence</u>	3
<u>Codes of Conduct</u>	3
<u>Review of Related-Person Transactions</u>	3
<u>Communicating Concerns Regarding Accounting Matters</u>	4
<u>Communicating with Directors</u>	4
Board of Directors and Committees	5
<u>Board Composition, Leadership and Size</u>	5
<u>Director Qualifications and Nomination Process</u>	5
<u>Stockholder Nominations for Director Candidates</u>	5
<u>Director Election Voting Standard</u>	6
<u>Attendance</u>	6
<u>Retirement</u>	6
<u>Executive Sessions</u>	6
<u>Risk Oversight</u>	6
<u>Committees</u>	6
<u>Director Compensation</u>	10
Election of Directors	12
<u>Item 1: Election of Directors</u>	12
Executive Compensation	18
<u>Item 2: Advisory (Nonbinding) Vote to Approve Named Executive Officer Compensation</u>	18
<u>Compensation Discussion and Analysis</u>	19
<u>Compensation Committee Report</u>	36
<u>Compensation of Executive Officers</u>	37
Audit	52
<u>Item 3: Ratification of Selection of Independent Registered Public Accounting Firm</u>	52
<u>Fees of Independent Registered Public Accounting Firm</u>	52
<u>Audit Committee Report</u>	53
Additional Information	54

<u>Stock Ownership of Directors, Management and Certain Beneficial Owners</u>	54
<u>Equity Compensation Plan Information</u>	56
<u>Transactions with Management and Others</u>	58
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	58
<u>Information About Our Annual Meeting and Solicitation of Proxies</u>	59
<u>Submission of Stockholder Proposals and Other Items of Business for 2017 Annual Meeting</u>	63
<u>Exhibit A</u>	64
<u>Exhibit B</u>	65

[Marsh & McLennan Companies, Inc. Notice of Annual Meeting and 2016 Proxy Statement](#)

Table of Contents

Corporate Governance

We describe key features of the Company's corporate governance environment below and in the next section of this proxy statement, captioned Board of Directors and Committees. Our key corporate governance materials are available online at <http://www.mmc.com/about/governance.php>.

Overview

Our Board of Directors currently has twelve (12) members, including Lord Lang, our independent chairman, and Daniel S. Glaser, our President and Chief Executive Officer. Mr. Glaser is the only member of management who serves as a Director. As described in more detail under Board of Directors and Committees, our Board maintains an Audit Committee, a Compensation Committee, a Directors and Governance Committee, a Finance Committee, a Corporate Responsibility Committee and an Executive Committee.

Corporate Governance Practices

The Company is committed to best practices in corporate governance. Highlights of our corporate governance practices are described below.

BOARD STRUCTURE

Board Independence. All of the Company's directors are independent, with the exception of our CEO, who is the only member of management serving on the Board.

Independent Chairman. The Company maintains separate roles of chief executive officer and chairman of the Board as a matter of policy. An independent director acts as chairman of the Board.

Offer to Resign upon Change in Circumstances. Pursuant to our Governance Guidelines, any director undergoing a significant change in personal or professional circumstances must offer to resign from the Board.

ELECTION OF DIRECTORS/RIGHT OF STOCKHOLDERS TO CALL SPECIAL MEETINGS

Majority Voting in Director Elections. The Company's by-laws provide that, in uncontested elections, director candidates must be elected by a majority of the votes cast. Each director candidate has previously tendered an irrevocable resignation that will be effective upon his or her failure to receive the requisite votes and the Board's acceptance of such resignation.

Stockholder Right to Call Special Meetings. The Company's by-laws allow holders of record of at least twenty percent (20%) of the voting power of the Company's outstanding common stock to call a special meeting.

STOCKHOLDER RIGHTS PLAN

No Poison Pill. The Company does not have a Rights Agreement.

DECLASSIFICATION OF BOARD

Annual Election of Directors. The Company's charter provides for the annual election of directors.

COMPENSATION PRACTICES

Compensation Structure for Independent Directors. The Company's director compensation structure is transparent to investors and does not provide for meeting fees or retainers for non-chair committee membership.

Cap on Executive Severance Payments. The Company is required as a matter of policy to obtain stockholder approval for severance agreements with certain senior executives if they provide for cash severance that exceeds 2.99 times the executive's base salary and three-year average annual bonus award.

Double-Trigger Condition for Vesting of Equity-Based Awards following a Change in Control. Our outstanding and unvested equity-based awards contain a double-trigger vesting provision, which requires both a change in control of the Company and a specified termination of employment in order for vesting to be accelerated.

Clawback Policies. The Company may as a matter of policy recoup (or claw back) certain executive bonuses in the event of misconduct leading to a financial restatement. Also, our 2011 Incentive and Stock Award Plan allows the Company to claw back outstanding or already settled equity-based awards.

Table of Contents

Corporate Governance (Continued)

EQUITY OWNERSHIP AND HOLDING REQUIREMENTS

Senior Executive Equity Ownership and Holding Requirements. The Company requires senior executives to hold shares or stock units of our common stock with a value equal to a multiple of base salary. The multiple for our Chief Executive Officer is six, and the multiple for our other senior executives is three. Senior executives are required to hold shares of the Company's common stock acquired in connection with equity-based awards until they reach their ownership multiple and may not sell any shares of the Company's common stock unless they maintain their ownership multiple.

Director Equity Ownership and Holding Requirements. Directors are required to acquire over time, and thereafter hold (directly or indirectly), shares or stock units of our common stock with a value equal to at least five times the Board's basic annual retainer, or \$550,000. Directors may not sell shares of the Company's common stock until this ownership threshold is attained.

Guidelines for Corporate Governance

The Company and the Board of Directors formally express many of our governance policies through our Guidelines for Corporate Governance (our "Governance Guidelines"). The Governance Guidelines are posted on our website at http://www.mmc.com/content/dam/mmc-web/Files/corp-gov/Guidelines_for_Corporate_Governance.pdf.

The Governance Guidelines summarize certain policies and practices designed to assist the Board in fulfilling its fiduciary obligations to the Company's stockholders, including the following (parenthetical references are to the relevant section of the Governance Guidelines):

Specific Board functions (Section B), such as:

selecting, regularly evaluating the performance of, and approving the compensation paid to, the CEO;

providing oversight and guidance regarding the selection, evaluation, development and compensation of other senior executives;

planning for CEO and other senior management succession;

reviewing, monitoring and, where appropriate, approving the Company's strategic and operating plans, fundamental financial objectives and major corporate actions;

assessing major risks facing the Company and reviewing enterprise risk management programs and processes;

overseeing the integrity of the Company's financial statements and financial reporting processes;

reviewing processes that are in place to maintain the Company's compliance with applicable legal and ethical standards; and

reviewing and monitoring the effectiveness of the Company's corporate governance practices.

Succession planning and management development. (Section C)

Director qualification standards and director independence. (Sections D.2 and D.3)

Limits on other public company board service. (Section D.5)

Majority voting in director elections. (Section E.3)

Resignation and retirement requirements for independent directors. (Section E.6)

Separation of independent chairman and CEO. (Section F.2)

Executive sessions of independent directors at every in-person meeting of the Board. (Section H.3)

Board access to management and professional advisors. (Section I)

Director and senior management stock ownership requirements. (Sections K.2 and K.3)

Annual Board and committee evaluations. (Section L)

Policy on interested stockholder transactions. (Section O)

Table of Contents

Corporate Governance (Continued)

Director Independence

The Board has determined that all directors other than Mr. Glaser are independent under the New York Stock Exchange (NYSE) listed company rules and the standards set forth in the Governance Guidelines. Therefore, the Board has satisfied the objective, set forth in the Governance Guidelines, that a substantial majority of the Company s directors be independent of management.

For a director to be considered independent, the Board must affirmatively determine that the director has no direct or indirect material relationship with the Company. The Board has established categorical standards to assist it in making determinations of director independence. These standards conform to, or are more exacting than, the independence requirements provided in the NYSE listed company rules. The Company s director independence standards are set forth as Annex A to our Governance Guidelines.

All members of the Audit, Compensation and Directors and Governance Committees must be independent directors under the NYSE listed company rules and the standards set forth in the Company s Governance Guidelines. Members of the Audit Committee must also satisfy a separate Securities and Exchange Commission (SEC) and NYSE independence requirement, which provides that they may not be affiliates and may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, other than their directors compensation. The Board evaluated each member of the Compensation Committee under the additional NYSE compensation committee member standards and also determined that these members qualify as non-employee directors (as defined under Rule 16b-3 under the Securities Exchange Act of 1934) and as outside directors (as defined in Section 162(m) of the Internal Revenue Code).

Under our Governance Guidelines, if a director whom the Board has deemed independent has a change in circumstances or relationships that might cause the Board to reconsider that determination, he or she must immediately notify the chairman of the Board and the chair of the Directors and Governance Committee.

Codes of Conduct

Our reputation is fundamental to our business. The Company s directors and officers and other employees are expected to act ethically at all times. To provide guidance in this regard, the Company has adopted a Code of Conduct, *The Greater Good*, which applies to all of our directors, officers and other employees. *The Greater Good* has been distributed to the Company s employees, accompanied by a comprehensive training and communication effort that includes a recent campaign requiring employees to recertify their commitment to *The Greater Good*. The Company has also adopted a Code of Ethics for the Chief Executive Officer and Senior Financial Officers, which applies to our chief executive officer, chief financial officer and controller. Both of these codes are posted on the Company s website at <http://www.mmc.com>, and print copies are available to any stockholder upon request. We will disclose any amendments to, or waivers of, the Code of Ethics for the Chief Executive Officer and Senior Financial Officers on our website within four business days.

Review of Related-Person Transactions

The Company maintains a written Policy Regarding Related-Person Transactions, which sets forth standards and procedures for the review and approval or ratification of transactions between the Company and related persons. The policy is administered by the Directors and Governance Committee with assistance from the Company's Corporate Secretary.

In determining whether to approve or ratify a related-person transaction, the Directors and Governance Committee will review the facts and circumstances it considers relevant. These may include: the commercial reasonableness of the terms of the transaction; the benefits of the transaction to the Company; the availability of other sources for the products or services involved in the transaction; the materiality and nature of the related person's direct or indirect interest in the transaction; the potential public perception of the transaction; and the potential impact of the transaction on any director's independence. The Directors and Governance Committee will approve or ratify a related-person transaction only if the Committee, in its sole good faith discretion based on the facts and circumstances it considers relevant, determines that the related-person transaction is in, or is not inconsistent with, the best interests of the Company and its stockholders.

If the Directors and Governance Committee determines not to approve or ratify a related-person transaction, the transaction may not be entered into or continued, as the case may be. No member of the Directors and Governance Committee will participate in any review or determination with respect to a related-person transaction if the Committee member or any of his or her immediate family members is the related person.

See the discussion under "Transactions with Management and Others" on page 58.

Table of Contents

Corporate Governance (Continued)

Communicating Concerns Regarding Accounting Matters

The Audit Committee of the Board of Directors has established procedures to enable anyone who has a concern about the Company's accounting, internal accounting controls or auditing practices to communicate that concern directly to the Audit Committee. These communications, which may be made on a confidential or anonymous basis, may be submitted in writing, by telephone or online as follows:

By mail to:

Marsh & McLennan Companies, Inc.
Audit Committee of the Board of Directors
c/o Carey Roberts Corporate Secretary
1166 Avenue of the Americas, Legal Department
New York, New York 10036-2774

By telephone or online:

Go to this website for dialing instructions or to raise a concern online:

<http://www.ethicscomplianceline.com>

Further details of the Company's procedures for handling complaints and concerns of employees and other interested parties regarding accounting matters are posted on our website at <http://www.mmc.com/about/governance.php>.

Company policy prohibits retaliation against anyone who raises a concern in good faith.

Communicating with Directors

Holders of the Company's common stock and other interested parties may send communications to the Board of Directors, the independent chairman, any of the directors or the independent directors as a group by mail (addressed to Carey Roberts Corporate Secretary, at the address shown above), online at <http://www.ethicscomplianceline.com> or by telephone (local dialing instructions can be found at <http://www.ethicscomplianceline.com>). Items unrelated to the directors' duties and responsibilities as Board members may be excluded by the Corporate Secretary, including solicitations and advertisements, junk mail, product-related communications, surveys and job referral materials such as resumes.

4 [Marsh & McLennan Companies, Inc. Notice of Annual Meeting and 2016 Proxy Statement](#)

Table of Contents

Board of Directors and Committees

Board Composition, Leadership and Size

At the 2016 annual meeting, stockholders will vote on the election of eleven (11) directors. Lord Lang currently serves as the Board's independent chairman. Lord Lang will retire from the Board effective as of the May 2016 annual meeting in accordance with the mandatory retirement provisions in our Governance Guidelines. The Board has chosen H. Edward Hanway to succeed Lord Lang as chairman.

The only member of management who serves on the Board is Daniel S. Glaser, the Company's President and Chief Executive Officer. The position of chairman of the Board has been held by an independent director since 2005. The Board believes that this currently is the best leadership structure for the Company. The Board will continue to periodically evaluate whether the structure is in the best interests of stockholders.

Director Qualifications and Nomination Process

As provided in our Governance Guidelines, all directors must demonstrate the highest standards of ethics and integrity, must be independent thinkers with strong analytical ability and must be committed to representing all of the Company's stockholders rather than any particular interest group. In addition to the foregoing characteristics, the Board evaluates each prospective director candidate by reference to the following criteria: (i) the candidate's personal and professional reputation and background; (ii) the candidate's industry knowledge; (iii) the candidate's experience with businesses or other organizations comparable to the Company in terms of size or complexity; (iv) the interplay of the candidate's skills and experience with those of the incumbent directors; (v) the extent to which the candidate would provide substantive expertise that is currently sought by the Board or any committees of the Board; (vi) the candidate's ability to commit the time necessary to fulfill a director's responsibilities; (vii) relevant legal and regulatory requirements and evolving best practices in corporate governance; and (viii) any other criteria the Board deems appropriate.

The Board, taking into account the recommendation of the Directors and Governance Committee, is responsible for nominating a slate of director candidates for election at the Company's annual meeting of stockholders. The Board has delegated to the Directors and Governance Committee the authority, when circumstances so warrant, to identify, screen and recommend to the Board potential new director candidates and to engage one or more search firms to assist the Committee in that regard. The Directors and Governance Committee periodically reviews with the Board the skills and characteristics to be sought in any new director candidates, as well as the overall composition and structure of the incumbent Board. The Committee has a long-standing commitment to maintaining a diverse and inclusive Board, and when seeking new director candidates, takes into account such factors as the Board's current mix of skills, backgrounds and experience, as well as the gender, racial, ethnic and cultural diversity of each potential candidate.

Stockholder Nominations for Director Candidates

The Directors and Governance Committee will consider director candidates recommended by stockholders if the recommendation is submitted in writing at the address below. As described in Article II of the Company's by-laws,

stockholders may submit nominations of persons for election as directors of the Company at an annual meeting of stockholders provided that the proposing stockholder is a stockholder of record both at the time the nomination is submitted and at the time of the annual meeting, is entitled to vote at the annual meeting and complies with the notice procedures set forth in Section 2.10 of the by-laws. The notice of nomination must meet certain guidelines as to timeliness and form and be delivered to the Company's Corporate Secretary at our principal executive offices:

Marsh & McLennan Companies, Inc.

Attn: Directors and Governance Committee

c/o Carey Roberts Corporate Secretary

1166 Avenue of the Americas

New York, New York 10036-2774

The director nomination notice must include certain information regarding the director nominee, the proposing stockholder and any associate of the proposing stockholder (such as the beneficial ownership of shares owned of record by the proposing stockholder), including information regarding ownership of our common stock and of derivatives of our securities. With respect to the director nominee, the notice must include the information required to be disclosed in a proxy statement with respect to any candidates for election as directors, including a nominee's written consent to be named in the proxy statement as a nominee and to serve as director of the Company if elected. The notice also must be accompanied by a letter from the nominee containing certain representations regarding the nominee's independence and compliance with the Company's publicly disclosed corporate governance and other policies and guidelines.

See the discussion under Submission of Stockholder Proposals and Other Items of Business for 2017 Annual Meeting on page 63.