

EXHIBIT C

DEF 14A 1 allstate3288151-def14a.htm DEFINITIVE PROXY STATEMENT

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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 (Amendment No.)

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 Under Rule 14a-12



Allstate.

You're in good hands.

The Allstate Corporation

(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.

- 1) Title of each class of securities to which transaction applies:
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- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

Notice of 2018 Annual Meeting and Proxy Statement

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LETTER FROM INDEPENDENT DIRECTORS TO STOCKHOLDERS



The Allstate Corporation
2775 Sanders Road
Northbrook, IL 60062

March 28, 2018

Fellow Stockholders,

Thank you for trusting us to oversee the long-term health and sustainability of Allstate. We focus on continuous improvement and transparency, informed by our stockholder engagement, outside advisors and best practices. Below is a list of our major initiatives and accomplishments in 2017.

Corporate Governance

Once again last year, we reached out to stockholders representing over one-third of our outstanding shares to discuss performance, strategy, corporate governance, and Board composition, diversity, tenure and independence as part of our effort to continuously get better. Our Chair and CEO, Tom Wilson, Lead Director, Judy Spriesser, and nominating and governance committee chair, Andrea Redmond, participated in these conversations. We implemented the following improvements to our governance practices:

- **Board Composition** – We added two new directors to our Board, Gregg Sherrill and Margaret Keane. Gregg is Executive Chairman and former CEO at Tenneco. His strategic, operating and leadership experience in the automotive industry will add to our capabilities and discussions, especially related to the rapid transformation occurring in the personal transportation industry. Margaret is President and CEO of Synchrony Financial. She is an accomplished leader with financial services expertise and a passion for innovation, customer focus and employee development that will further strengthen our operating and strategic dialogue.

Mary Alice Taylor and John Rowe are retiring from the Board in May 2018. Mary Alice has served as a director for 20 years under different operating environments and management teams. The breadth and depth of her Allstate experience has been extremely beneficial to our new directors and in her role leading the audit committee for the last three years. John joined Allstate in 2012 following nearly three decades as CEO of a highly regulated business and led our compensation and succession and nominating and governance committees. We are extremely grateful for their service and dedication to Allstate.

- **Board Capabilities and Refreshment** – To effectively represent your long-term interests, we strive to maintain an appropriate balance of tenure, diversity, skill sets and experience on our Board. A comprehensive Board evaluation process is utilized to ensure governance and oversight responsibilities are updated and well executed. This includes assessing our performance at the end of every meeting, an annual Board assessment and individual director evaluations. The members of our Board reflect diverse

perspectives, experiences and backgrounds and have an average tenure of 6.8 years, demonstrating our commitment to ensure continual refreshment. Half of the Board nominees are women or ethnic minorities who currently hold four of the Board's leadership roles.

- **Sustainability Report** – In response to stockholder input, Allstate issued a Sustainability Report in 2017, detailing environmental, social, and governance practices, including diversity measures and fair pay practices.

Performance and Strategy

We regularly review Allstate's relative competitive positioning, and actively participate and discuss strategies and key initiatives for each market-facing business and the entire corporation. We also devoted significant time to Allstate's strategy and how to effectively capture opportunities presented by changes in the automobile industry, including autonomous vehicle technology and ride-sharing.

- Allstate delivered on all five operating priorities in 2017 which focused on both near-term performance and long-term value creation.
 - The Net Promoter Score, which measures how likely customers are to recommend Allstate, improved.
 - Investment income was strong, reflecting equity and fixed income market appreciation and increased allocations to performance-based investments.
 - Allstate achieved its target economic returns on capital, despite significant catastrophe events. Particularly impressive was the increased profitability from auto insurance.
 - Total policies in force increased due to the acquisition of SquareTrade and continued growth at Allstate Benefits.
 - Long-term growth was enhanced through existing businesses and the creation of new businesses. Allstate agencies are being positioned as trusted advisors; Allstate Benefits continues to expand; SquareTrade is growing; and significant investments are being made in automotive telematics.

Risk Oversight

Oversight of Allstate's enterprise risk and return program is the responsibility of the full Board and the risk and return and audit committees. We implemented several enhancements:

- **Independent Review** – Allstate uses economic capital to quantify returns and provide transparency into risk-return decision making. Allstate had an

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independent external review of its methodologies for determining economic capital and allocating it within the enterprise to provide insight into its business risk profile and risk-return opportunities. The review, performed by leading experts in economics and regulation, confirmed Allstate has a sound process for determining economic capital.

- *Cybersecurity Oversight* – The relationship with our independent cybersecurity advisor, hired by the audit committee in 2016, was expanded in 2017 to further strengthen Allstate’s cybersecurity defenses and cybersecurity risk management practices. The full Board and audit committee participated in this important work.

Executive Compensation and Succession

We completed our annual evaluation of the executive compensation program to ensure alignment with long-term interests of stockholders. The say-on-pay proposal received 95% support at the 2017 annual meeting. No significant changes were made to our programs in 2017.

Management succession for the CEO and senior leaders is reviewed four times annually across multiple time periods (immediate, less than 2 years, 3 to 5 years, and over 5 years) and under different operating scenarios. Most recently, our robust succession strategy and careful planning resulted in several internal senior leadership promotions in connection with the retirement of Matt Winter, Allstate’s President, including Steve Shebik to Vice Chair, Glenn Shapiro to President of Allstate Personal Lines, and Mario Rizzo to Executive Vice President and Chief Financial Officer. We are confident these leadership changes will enable Allstate’s long-term success.

Capital Management and Stockholder Return

Capital allocation decisions are aligned with Allstate’s enterprise risk and return management principles: maintain a strong foundation, build strategic value, and optimize return per unit of risk. Investments were made in existing businesses to support long-term profitable growth. With the acquisition of SquareTrade, Allstate expanded the protection products it offers to customers.

- *Dividends* – The quarterly dividend was increased 12% to \$0.37 cents per share in 2017.

- *Share Repurchase Program* – Allstate completed the \$1.5 billion share repurchase authorization that was approved in 2016 and instituted an additional \$2 billion share repurchase planned to be completed by February 2019.
- *Total Shareholder Return* – Allstate achieved returns of 43.3%, 56.8%, and 183.7% over the last one, three and five years, respectively, which compares favorably to the company’s peers and the Standard & Poor’s (“S&P”) 500 index.

Societal Responsibilities

Allstate maintains a strong reputation by operating with integrity, serving customers and improving local communities. This includes the following:

- Allstate was named “a most ethical company” for the fourth year in a row by Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices.
- Allstate and The Allstate Foundation contributed more than \$41 million to community service projects across the nation in 2017, including funding for more than 3,290 nonprofit organizations. Over 4,700 Allstate agencies earned Allstate Foundation Helping Hands Grants to support their involvement in local causes.
- The Allstate Foundation, Allstate and its employees and agency force contributed more than \$2.1 million to disaster relief and recovery efforts in 2017, including grants to social service organizations and resources to help consumers navigate the rebuilding process.
- Our employees and agency force engage in numerous community service programs and volunteered over 258,000 reported hours to over 2,430 community groups in 2017.

We welcome your feedback on this letter or other matters important to Allstate. You can reach us by email at directors@allstate.com.

We pledge to continue to work hard for you to ensure the sustainability and success of Allstate’s long-term strategies and commitment to enhance the communities it serves. Thank you for your continued support.

Kermit R. Crawford

Siddharth N. (Bobby) Mehta

John W. Rowe

Mary Alice Taylor

Michael L. Eskew

Jacques P. Perold

Gregg M. Sherrill

Perry M. Traquina

Margaret M. Keane

Andrea Redmond

Judith A. Sprieser