

AMERICAN EXPRESS CO
Form PRE 14A
March 10, 2009
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

**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 Pursuant to Section 240.14a-12

American Express Company

(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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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

PRELIMINARY PROXY MATERIALS SUBJECT TO REVIEW

AMERICAN EXPRESS COMPANY

200 VESEY STREET

NEW YORK, NEW YORK 10285

NOTICE OF

ANNUAL MEETING OF SHAREHOLDERS

DATE Monday, April 27, 2009, at 10:00 a.m. Eastern Time

PLACE American Express Service Center
7701 Airport Center Drive
Greensboro, North Carolina 27409

ITEMS OF BUSINESS

- (1) Election of Directors.
- (2) Ratification of appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2009.
- (3) Advisory (non-binding) vote approving executive compensation.
- (4) Shareholder proposal relating to cumulative voting for Directors.
- (5) Shareholder proposal relating to the calling of special shareholder meetings.
- (6) Such other business that may properly come before the Meeting.

RECORD DATE You can vote if you are a shareholder of record on February 27, 2009.

STEPHEN P. NORMAN
Secretary & Corporate Governance Officer

March [], 2009

Table of Contents

TABLE OF CONTENTS

	Page
<u>General Information</u>	1
<u>Voting Information</u>	1
<u>Corporate Governance</u>	4
<u>Report of the Audit Committee</u>	7
<u>Compensation of Directors</u>	10
<u>Ownership of Our Common Shares</u>	12
<u>Item 1 Election of Directors</u>	13
<u>Item 2 Ratification of the Appointment of Independent Registered Public Accounting Firm</u>	15
<u>Executive Compensation</u>	17
<u>Compensation Discussion and Analysis</u>	17
<u>Report of the Compensation and Benefits Committee</u>	33
<u>Summary Compensation Table</u>	34
<u>Item 3 Advisory (Non-Binding) Vote Approving Executive Compensation</u>	54
Shareholder Proposals	
<u>Item 4 Cumulative Voting</u>	55
<u>Item 5 Special Shareholder Meetings</u>	55
<u>Certain Relationships and Transactions</u>	57
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	58
<u>Directors and Officers Liability Insurance</u>	59
<u>Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Shareholders</u>	59

Table of Contents

PRELIMINARY PROXY MATERIALS SUBJECT TO REVIEW

AMERICAN EXPRESS COMPANY

200 VESEY STREET

NEW YORK, NEW YORK 10285

March [], 2009

PROXY STATEMENT

GENERAL INFORMATION

We are providing these proxy materials to you in connection with the solicitation of proxies by the Board of Directors of American Express Company for the 2009 Annual Meeting of Shareholders and for any adjournment or postponement of the Meeting. In this proxy statement, we refer to American Express Company as the Company, we, our or us.

We are holding the Annual Meeting at 10:00 a.m. Eastern Time on Monday, April 27, 2009, at the Company's Service Center in Greensboro, North Carolina, and invite you to attend in person. Directions to the Company's Greensboro Service Center are on page 61. If you need special assistance at the Meeting because of a disability, you may contact Stephen P. Norman, our Secretary, by telephone at (212) 640-5583, by e-mail at stephen.p.norman@aexp.com or by writing to him at the Company's headquarters at 200 Vesey Street, New York, New York 10285.

The Company has arranged for a live audio webcast of the 2009 Annual Meeting to be accessible to the general public on the Internet at <http://ir.americanexpress.com>. (Information from such site is not incorporated by reference into this proxy statement.) A replay of the Meeting's audio webcast will also be available at the same Web site address beginning later the same day.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be

Held on April 27, 2009

The Company's Proxy Statement and 2008 Annual Report to Shareholders are available at www.proxyvote.com.

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We are pleased this year once again to take advantage of the Securities and Exchange Commission (SEC) rule that permits companies to furnish proxy materials to shareholders over the Internet. On or about March [], 2009, we started mailing to certain of our shareholders a Notice of Internet Availability of Proxy Materials. This Notice contains instructions on how to access our proxy statement and 2008 Annual Report to Shareholders and vote online. By furnishing this Notice, we are lowering the costs and reducing the environmental impact of our Annual Meeting.

Shareholders who did not receive the Notice of Internet Availability of Proxy Materials will continue to receive a paper or electronic copy of our proxy statement and 2008 Annual Report, which we intend to start mailing on or about March [], 2009.

VOTING INFORMATION

Record Date

You may vote all common shares that you owned as of February 27, 2009, which is the record date for the Annual Meeting. On February 27, 2009, we had 1,159,636,176 common shares outstanding and eligible to vote. Each common share is entitled to one vote on each matter properly brought before the Meeting.

Ownership of Shares

You may own common shares in one or more of the following ways:

directly in your name as the shareholder of record, including shares purchased through the BuyDIRECT stock purchase plan or restricted stock awards issued to employees under our long-term incentive plans;

indirectly through a broker, bank or other holder of record in street name ; or

indirectly through the American Express Company Stock Fund of our Retirement Savings Plan (RSP) or the Employee Stock Ownership Plan of Amex Canada, Inc.

Table of Contents

If your shares are registered directly in your name, you are the holder of record of these shares and we are sending these proxy materials directly to you. As the holder of record, you have the right to give your proxy directly to us. If you hold your shares in street name, your broker, bank or other holder of record is sending these proxy materials to you. As a holder in street name, you have the right to direct your broker, bank or other holder of record how to vote by completing the voting instruction form that accompanies your proxy materials. Regardless of how you hold your shares, we invite you to attend the Meeting.

How to Vote

Your vote is important. We encourage you to vote promptly. Internet and telephone voting are available through 11:59 p.m. Eastern Time on Wednesday, April 22, 2009, for shares held in employee plans, and through 11:59 p.m. Eastern Time on Sunday, April 26, 2009, for all other shares. You may vote in the following ways:

By Telephone. If you are located in the United States or Canada, you can vote your shares by calling the toll-free telephone number and following the recorded instructions. You will need the 12-digit Control Number included on your Notice of Internet Availability of Proxy Materials, on your proxy card or in the instructions that accompany your proxy materials, as applicable. You may vote by telephone 24 hours a day. The telephone voting system has easy-to-follow instructions and allows you to confirm that the system has properly recorded your votes. If you vote by telephone, you do not need to return your proxy card or your voting instruction form.

By Internet. You can also vote your shares by the Internet. You will need the 12-digit Control Number included on your Notice of Internet Availability of Proxy Materials, on your proxy card or in the instructions that accompany your proxy materials, as applicable. You may vote by the Internet 24 hours a day. As with telephone voting, you will be able to confirm that the system has properly recorded your votes. You may incur telephone and Internet access charges if you vote by the Internet. If you vote by the Internet, you do not need to return your proxy card or your voting instruction form.

By Mail. If you are a holder of record, you can vote by marking, dating and signing your proxy card and returning it by mail in the enclosed postage-paid envelope. If you hold shares in street name, please complete and mail the voting instruction form.

At the Annual Meeting. The way you vote your shares prior to the Meeting will not limit your right to change your vote at the Meeting if you attend in person. If you hold your shares in street name, you must obtain a valid proxy, executed in your favor, from the holder of record if you wish to vote these shares at the Meeting.

All shares that have been properly voted and not revoked will be voted at the Meeting. If you sign and return your proxy card without any voting instructions, your shares will be voted as the Board of Directors recommends.

Revocation of Proxies. You can revoke your proxy at any time before your shares are voted if you (1) submit a written revocation to our Secretary, (2) submit a later-dated proxy (or voting instruction form if you hold shares in street name), (3) provide subsequent telephone or Internet voting instructions or (4) vote in person at the Meeting.

Shares Held Under Plans

If you participate in the BuyDIRECT stock purchase plan, your proxy includes the number of shares enrolled in that plan as well as any shares you have acquired through dividend reinvestment. If you participate in the RSP or the Employee Stock Ownership Plan of Amex Canada, Inc., your proxy includes shares that the relevant plan has credited to your account.

To allow sufficient time for the RSP and the Employee Stock Ownership Plan of Amex Canada, Inc. trustees to vote, the trustees must receive your voting instructions by 11:59 p.m. Eastern Time on Wednesday, April 22, 2009. If the trustees for the RSP and the Employee Stock Ownership Plan of Amex Canada, Inc. do not receive your instructions by that date, the trustees will not vote your shares.

Confidential Voting

We maintain the confidentiality of the votes of individual shareholders. We do not disclose these votes to any member of management, unless we must disclose them for legal reasons. However, if a shareholder writes a

Table of Contents

comment on the proxy card, the comment will be forwarded to management. In reviewing the comment, management may learn how the shareholder voted. In addition, the Inspectors of Election and selected employees of our independent tabulating agent may have access to individual votes in the normal course of counting and verifying the vote.

Quorum and Required Vote

Quorum. We will have a quorum and will be able to conduct the business of the Annual Meeting if the holders of a majority of the votes that shareholders are entitled to cast are present at the Meeting, either in person or by proxy.

Routine and Non-Routine Proposals. New York Stock Exchange (NYSE) rules determine whether proposals presented at shareholder meetings are routine or not routine. If a proposal is routine, a broker or other entity holding shares for an owner in street name may vote on the proposal without receiving voting instructions from the owner. If a proposal is not routine, the broker or other entity may vote on the proposal only if the owner has provided voting instructions. A broker non-vote occurs when the broker or other entity is unable to vote on a proposal because the proposal is not routine and the owner does not provide any instructions.

We have been advised by the NYSE that the election of Directors, the ratification of the appointment of our independent registered public accounting firm and the advisory (non-binding) vote approving executive compensation are routine items. The shareholder proposals are not routine items.

Broker Vote. If you hold your shares in a bank or brokerage account, you should be aware that if you fail to instruct your bank or broker how to vote within 10 days of the Meeting, the bank or broker is permitted to vote your shares in its discretion on your behalf on routine items. While banks and brokers have historically cast their votes on routine items in support of management in the absence of instructions from their clients, many firms are now casting uninstructed votes in the same proportion as their clients' instructed votes. Thus, if you want to assure that your shares are voted in accordance with your wishes on Items 1, 2 and 3, the routine matters in this proxy statement, you should complete and return your voting instruction form before April 17, 2009.

Votes Required for the Election of Directors and Approval of the Proposals. To elect Directors and adopt the other proposals, the following votes are required:

Item	Vote Required	Abstentions and Broker Non-Votes, if any
Election of Directors	Affirmative vote of a majority of the votes cast	Not considered as votes cast and have no effect on the outcome
Ratification of appointment of independent accounting firm	Approval of the majority of the votes cast	Not considered as votes cast and have no effect on the outcome
Advisory (non-binding) vote approving executive compensation	Approval of the majority of the votes cast	Not considered as votes cast and have no effect on the outcome
Shareholder Proposals	Approval of the majority of the votes cast	Not considered as votes cast and have no effect on the outcome

There are no cumulative voting rights.

Multiple Shareholders Sharing the Same Address

In accordance with the notices we previously sent to street name shareholders who share a single address, we are sending only one Notice of Internet Availability of Proxy Materials or one 2008 Annual Report and proxy statement to that address unless we have received contrary instructions from any shareholder at that address. This practice, known as "householding," is designed to reduce our printing and postage costs. However, if any shareholder residing at such an address wishes to receive a separate Notice of Internet Availability of Proxy Materials or a separate 2008 Annual Report and proxy statement, he or she may contact the Company's Secretary. If you are receiving multiple copies of our 2008 Annual Report and proxy statement or Notice of Internet Availability of Proxy Materials, you can request householding by contacting the Company's Secretary. The contact information for the Company's Secretary is stated on page 1 under *General Information*.

Table of Contents

Cost of Proxy Solicitation

We will pay the expenses of soliciting proxies on behalf of the Board of Directors. Our Directors, officers or employees may solicit proxies for us in person, or by mail, telephone, facsimile or electronic transmission. We have hired Morrow & Co., LLC, 470 West Ave., Stamford, CT 06902, to help us distribute and solicit proxies. We will pay them \$17,500 plus expenses for these services.

CORPORATE GOVERNANCE

Our business is managed by the Company's employees under the direction and oversight of the Board of Directors. Except for Kenneth I. Chenault, our Chairman and Chief Executive Officer, none of our Board members is an employee of the Company. The Board limits membership of the Audit Committee, Compensation and Benefits Committee and Nominating and Governance Committee to independent, non-management Directors. We keep Directors informed of our business through discussions with management, materials we provide to them, visits to our offices and their participation in Board and Board Committee meetings.

The Board of Directors has adopted Corporate Governance Principles which, along with the charters of the Board Committees, the Company's Code of Conduct for employees and the Code of Business Conduct for Directors, provide the framework for the governance of the Company. The Board of Directors has also appointed a Corporate Governance Officer to promote best practices and help the Company remain in the forefront of good corporate governance. The Corporate Governance Officer periodically reviews the Company's governance principles and practices to assure that they continue to reflect high standards and makes recommendations to the Nominating and Governance Committee in connection with the Company's governance practices.

A complete copy of the Company's Governance Principles, the charters of each of the Board Committees and the Codes of Conduct for employees and Directors may be found on the Company's Investor Relations Web site at <http://ir.americanexpress.com>. Copies of these materials are available without charge upon written request to the Secretary of the Company.

Summary of the Company's Corporate Governance Principles

Independence of Directors. A substantial majority of the Board of Directors shall consist of independent, non-management Directors who meet the criteria for independence required by the NYSE.

A Director is independent if he or she does not have a material relationship with the Company or one of its subsidiaries.

The Board has established the following guidelines to assist it in determining Director independence.

1. A Director will not be considered independent if:

- (i) within the last three years the Director was an employee of the Company or an immediate family member was an executive officer of the Company;
- (ii) the Director or an immediate family member received, during any twelve-month period within the last three years, more than \$120,000 per year in direct compensation from the Company (other than Director and Committee fees and pension or other deferred compensation);
- (iii) the Director or an immediate family member is a partner of the Company's independent registered public accounting firm; the Director is a current employee of such firm; a member of the Director's immediate family is an employee of such firm and works on the Company's audit; or the Director or immediate family member was within the last three years a partner or employee of such firm and worked on the Company's audit;
- (iv) within the last three years an executive officer of the Company served on the compensation committee of another company that employed the Director, or an immediate family member of the Director, as an executive officer; or
- (v) the Director is a current employee, or has an immediate family member who is an executive officer, of a company that made payments to, or received payments from, the Company in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of the other company's consolidated gross revenues.

Table of Contents

2. The Board has determined that a material relationship with the Company will be deemed to exist if a Director is:

- (i) an executive officer of a charitable organization and the annual contributions of the Company and the American Express Foundation to the organization (exclusive of gift-match payments) exceed the greater of \$1 million or 2% of the organization's total annual revenues;
- (ii) a partner of or of counsel to a law firm that performs substantial legal services to the Company on a regular basis; or
- (iii) a partner, officer or employee of an investment bank or consulting firm that performs substantial services to the Company on a regular basis.

3. The Board of Directors also has determined that the following relationships are not material and do not impair a Director's independence:

- (i) possession and use of an American Express® Card or use of the Company's travel services by a Director or his or her immediate family members on terms and conditions similar to those available to other Cardmembers;
- (ii) incurring indebtedness to the Company, on the American Express® Card or otherwise as permitted by law, or use of the Company's financial services, by a Director or his or her immediate family members on terms and conditions similar to those available to other persons of like creditworthiness;
- (iii) transactions in the ordinary course of business between the Company and another company where the Director or an immediate family member serves as an executive officer, provided the Director or immediate family member owns less than a 10% equity interest in the other company and the amounts paid or received by the other company did not exceed, in any of the last three fiscal years, the greater of \$1 million or 1% of its consolidated gross revenues;
- (iv) transactions in the ordinary course of business between the Company and another company where the Director serves on the other company's board and owns less than a 10% equity interest in the other company, regardless of the amount involved;
- (v) service on the board of another public company on which an executive officer of the Company also serves as a board member, except for compensation committee interlocks described in Section 1(iv);
- (vi) service as a director, trustee or executive officer of a charitable organization where an executive officer of the Company also serves as a director or trustee, unless the annual contributions of the Company and the American Express Foundation to the organization (exclusive of gift-match payments) exceed the greater of \$1 million or 1% of the organization's total annual revenues;
- (vii) service as an executive officer of a public company that also uses the Company's independent registered public accounting firm;
- (viii) membership in the same professional association, social, fraternal or religious organization or club as an executive officer of the Company; or
- (ix) prior attendance at the same educational institution as an executive officer of the Company.

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Based on these guidelines, on January 26, 2009, the Board of Directors determined that 10 of the Company's 12 Director nominees are independent: Ms. Burns and Messrs. Akerson, Chernin, Leschly, Levin, McGinn, Miller, Reinemund, Walter and Williams. The other non-management Director nominee, Ms. Barshefsky, as well as Mr. Chenault, are not deemed independent under these guidelines.

Composition of the Board. Directors should be persons who have achieved prominence in their fields and who possess significant experience in areas of importance to the Company, such as general management, finance, marketing, technology, law, international business or public sector activities.

Directors should possess integrity, independence, energy, forthrightness, analytical skills and commitment to devote the necessary time and attention to the Company's affairs. Directors should possess a willingness to challenge and stimulate management and the ability to work as part of a team in an environment of trust.

Table of Contents

Voting for Directors. In a non-contested election, the vote required to elect a Director by the shareholders is the affirmative vote of a majority of the votes cast in favor of or against a nominee. In any such election of Directors, any incumbent Director who receives a greater number of votes *against* his or her election than votes *for* such election shall immediately submit his or her resignation to the Board. The Board of Directors, excluding such Director, shall decide whether or not to accept such resignation and shall promptly disclose and explain its decision in a Form 8-K filed with the Securities and Exchange Commission within 90 days after the results of the election are certified. In deciding whether or not to accept the resignation, the Board shall consider all factors deemed relevant, including the stated reason why shareholders who cast *against* votes did so, the qualifications of the Director, and whether the Director's resignation from the Board would be in the best interests of the Company and its shareholders. The Board will also consider a range of possible responses to the shareholder vote, including, for example, acceptance of the resignation or rejection of the resignation and having the Director continue to serve but curing the grievance causing the *against* votes.

In a contested election, the Director nominees who receive the plurality of votes cast are elected as Directors.

Communicating with Directors. Communications to the Board or to individual members of the Board may be made by letter, e-mail or telephone and should be directed to the Company's Secretary, who will forward them to the intended recipients. If a shareholder wishes to communicate a concern to the Chair of the Audit Committee about the Company's financial statements, accounting practices or internal controls, the concern should be submitted in writing to the Chair of the Audit Committee in care of the Company's Secretary. If the concern relates to the Company's governance practices, business ethics or corporate conduct, the concern should be submitted in writing to the Chair of the Nominating and Governance Committee in care of the Company's Secretary. If the shareholder is unsure as to which category his or her concern relates, he or she may communicate it to any one of the independent Directors in care of the Company's Secretary. The contact information for the Company's Secretary is stated on page 1 under *General Information*.

The Company's whistleblower policy prohibits the Company or any of its employees from retaliating or taking any adverse action against anyone for raising a concern in good faith. If a shareholder nonetheless prefers to raise his or her concern to the Board in a confidential or anonymous manner, the concern may be directed to the Office of the Ombudsperson at the Company's headquarters or by telephone at 1-800-297-1010. The Ombudsperson will refer the concern to the Chair of the Audit Committee who will assure that the matter is properly investigated.

Executive Sessions. The non-management Directors shall meet periodically in executive session without the Chief Executive Officer present, and the independent non-management Directors shall meet in executive session at least once annually.

The executive sessions of non-management Directors shall be presided over by the Director who is the chairman of the Committee responsible for the issue being discussed. Executive sessions relating to general topics, such as the review of the Company's overall performance, shall be presided over by the longest serving Director. The Board schedules at least three executive sessions of non-management Directors each year, including one executive session of independent Directors only. However, any Director may request additional executive sessions of non-management Directors to discuss any matter of concern. During 2008, the Board held four executive sessions of non-management Directors, one of which included independent Directors only.

Other. Non-management Directors shall have access to individual members of management or to other employees of the Company on a confidential basis. Directors are authorized to conduct independent investigations and to hire outside consultants or experts at the Company's expense. Directors shall also have access to Company records and files, and Directors may contact other Directors without informing Company management of the purpose or even the fact of such contact.

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The Company believes that each Director should have a substantial personal investment in the Company. A personal holding of 20,000 shares of the Company is recommended for each Director. Directors are expected to acquire and maintain this share ownership threshold within five years of joining the Board.

The Board of Directors encourages all its members to attend the Annual Meeting of Shareholders. In April 2008, 10 of the Director nominees were present at the Annual Meeting of Shareholders.

Table of Contents**Board Meetings**

During 2008, the Board of Directors met 12 times. All of our Directors attended 75% or more of the meetings of the Board and Board Committees on which they served in 2008.

The following table lists our four Committees, the Directors who currently serve on them and the number of Committee meetings held in 2008.

Membership on Board Committees

Name	Audit	Compensation and Benefits	Nominating	Public
			and Governance	Responsibility
Mr. Akerson	C			
Ms. Barshefsky				C
Ms. Burns				
Mr. Chenault				
Mr. Chernin				
Mr. Leschly		C		
Mr. Levin				
Mr. McGinn				
Mr. Miller				
Mr. Reinemund				
Mr. Walter			C	
Mr. Williams				
2008 Meetings	14	9	4	3

C = Chair

= Member

Audit Committee

The responsibilities of the Audit Committee are described in the following Report of the Audit Committee.

All members of the Audit Committee are independent Directors as required by the listing standards of the NYSE and the Company's Corporate Governance Principles. The Board has also determined that each of the members of the Audit Committee meets the requirements for being an audit committee financial expert as defined by SEC rules.

Report of the Audit Committee

The role of the Audit Committee is to assist the Board of Directors in its oversight of the Company's financial reporting process. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. The Company's independent auditors are responsible for auditing the Company's financial statements and expressing an opinion as to their conformity to accounting principles generally accepted in the United States.

In the performance of its oversight function, the Audit Committee has reviewed and discussed with management and the independent auditors the Company's audited financial statements. The Audit Committee also has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, relating to communication with audit committees. In addition, the Audit Committee has received from the independent auditors the written disclosures and letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, has discussed with the independent auditors their independence from the Company and its management, and has considered whether the independent auditors' provision of non-audit services to the Company is compatible with maintaining the auditors' independence.

Table of Contents

The Audit Committee discussed with the Company's internal auditors and independent auditors the overall scope and plans for their respective audits. The internal auditors are responsible for preparing an annual audit plan and conducting internal audits under the control of the Company's General Auditor, who is accountable to the Audit Committee. The Audit Committee met with the internal auditors and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. In addition, the Audit Committee met with the Chief Executive Officer and Chief Financial Officer of the Company to discuss the processes that they have undertaken to evaluate the accuracy and fair presentation of the Company's financial statements and the effectiveness of the Company's systems of disclosure controls and procedures and internal control over financial reporting.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the Company's audited financial statements be included in the Company's 2008 Annual Report to Shareholders and Annual Report on Form 10-K for the year ended December 31, 2008 for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE

Daniel F. Akerson, Chairman

Ursula M. Burns

Richard C. Levin

Robert D. Walter

Ronald A. Williams

Compensation and Benefits Committee

The Compensation and Benefits Committee (Compensation Committee) has oversight responsibility for the compensation and benefit programs for executive officers and other employees. The processes and procedures by which the Compensation Committee considers and determines named executive officer compensation are described in the Compensation Discussion and Analysis included in this proxy statement. The Compensation Committee may delegate all or a portion of the authority granted to it by the Board to one or more Compensation Committee members, senior executives or committees in accordance with applicable laws, regulations and plan requirements. All members of the Compensation Committee are independent Directors as required by the listing standards of the NYSE and the Company's Corporate Governance Principles.

Compensation Committee Interlocks and Insider Participation. The current members of the Compensation Committee are Messrs. Chernin, Leschly, McGinn, Miller and Walter. Mr. Popoff served as a member of the Compensation Committee until his retirement as a Director in April 2008. None of the current members or Mr. Popoff is a former or current officer or employee of the Company or any of its subsidiaries. None of the current members or Mr. Popoff has any relationship required to be disclosed under this caption under the rules of the SEC.

Nominating and Governance Committee

The Nominating and Governance Committee considers and recommends candidates for election to the Board, advises the Board on Director compensation, oversees the annual performance evaluations of the Board and Board Committees, advises the Board on corporate governance matters and administers the Company's Related Person Transaction Policy. All members of the Nominating and Governance Committee are independent Directors as required by the listing standards of the NYSE and the Company's Corporate Governance Principles.

Director Nomination Process. The Nominating and Governance Committee considers and recommends candidates for election to the Board. The Committee also considers candidates for election to the Board who are submitted by shareholders. Each member of the Committee participates in the review and discussion of Director candidates. In addition, Directors who are not on the Committee may meet with and evaluate the suitability of candidates. In making its selections of candidates to recommend for election, the Committee seeks persons who have achieved prominence in their fields and who possess significant experience in areas of importance to the Company, such as general management, finance, marketing, technology, law, international business or public sector activities. The minimum qualifications that the Nominating and Governance Committee believes must be

Table of Contents

met for a candidate to be nominated include integrity, independence, energy, forthrightness, strong analytical skills and the willingness to devote appropriate time and attention to the Company's affairs. Candidates should also demonstrate a willingness to work as part of a team in an atmosphere of trust and a commitment to represent the interests of all the shareholders rather than those of a specific constituency.

Shareholders who wish to submit nominees for election at an annual or special meeting of shareholders should follow the procedure described on page 59. The Nominating and Governance Committee applies the same standards in considering candidates submitted by shareholders as it does in evaluating candidates submitted by members of the Board of Directors.

Public Responsibility Committee

The Public Responsibility Committee reviews issues that affect the communities in which we work or the public interest in general. These issues include legislation and regulation affecting the Company, philanthropic programs, the Company's political action committee and corporate political contributions, government relations activities, other policies affecting the communities in which the Company operates, and the environment.

Table of Contents**COMPENSATION OF DIRECTORS**

It is the goal of the Nominating and Governance Committee to maintain the level of Director compensation above the mid-point of comparable companies. In 2005, the Committee engaged an independent compensation advisory firm, Frederic W. Cook & Co., Inc., to review Director compensation, and, as a result of that review, in 2006, the Committee recommended that the Directors receive the compensation described below. The Committee reviews Director compensation approximately every two years. In 2008, the Committee determined not to make any changes.

The following table provides information on the Company's compensation of non-management Directors for 2008. In addition, the Company reimburses Directors for out-of-pocket expenses attendant to Board membership.

Name	Fees Earned		Option Awards \$(3)	Change in Pension	Value and Nonqualified Deferred Compensation Earnings \$(4)	All Other Compensation \$(5)	Total (\$)
	or Paid in Cash \$(1)	Stock Awards \$(2)					
Mr. Akerson	\$ 110,000	\$ 62,322	\$0	\$ 60,385	\$ 25,645	\$ 258,352	
Ms. Barshefsky	87,500	62,322	0	0	71	149,893	
Ms. Burns	90,000	62,322	0	0	19,013		