

AMERIPRISE FINANCIAL INC  
Form DEF 14A  
March 09, 2012

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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 Pursuant to §240.14a-12

**Ameriprise Financial, Inc.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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March 9, 2012

Dear Fellow Shareholders:

You are cordially invited to join us for our 2012 annual meeting of shareholders, which will be held on Wednesday, April 25, 2012, at 11:00 a.m., Minneapolis time, at the Ameriprise Financial Center, 707 Second Avenue South in Minneapolis, Minnesota 55474. Holders of record of our common stock as of the close of business on February 27, 2012, are entitled to notice of and to vote at the 2012 annual meeting.

The Notice of Annual Meeting of Shareholders and the proxy statement that follow describe the business to be conducted at the meeting. We also will report on matters of current interest to our shareholders.

We hope you will be able to attend the meeting. However, even if you plan to attend in person, please vote your shares promptly to ensure they are represented at the meeting. You may submit your proxy vote by telephone or Internet as described in the following materials or, if you request that proxy materials be mailed to you, by completing and signing the proxy card enclosed with those materials and returning it in the envelope provided. If you decide to attend the meeting and wish to change your proxy vote, you may do so automatically by voting in person at the meeting.

If your shares are held in the name of a broker, bank, trust or other nominee, you will need proof of ownership to be admitted to the meeting, as explained beginning at the bottom of page 70 of the proxy statement.

We look forward to seeing you at the annual meeting and discussing the business of your Company with you.

Very truly yours,

JAMES M. CRACCHIOLO  
*Chairman and Chief Executive Officer*

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**AMERIPRISE FINANCIAL, INC.  
707 SECOND AVENUE SOUTH  
MINNEAPOLIS, MINNESOTA 55474**

**Notice of  
Annual Meeting of Shareholders**

**DATE** Wednesday, April 25, 2012, at 11:00 a.m. Minneapolis time

**PLACE** Ameriprise Financial Center  
Market Garden Skyway Level  
707 Second Avenue South  
Minneapolis, Minnesota 55474

**ITEMS OF BUSINESS**

- (1) To elect four directors
- (2) A nonbinding advisory vote to approve the compensation of the named executive officers
- (3) To ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for 2012
- (4) To transact such other business that may properly come before the meeting or any adjournment of the meeting.

**RECORD DATE** You can vote if you are a shareholder of record as of the close of business on February 27, 2012.

THOMAS R. MOORE  
*Vice President, Corporate Secretary and  
Chief Governance Officer*

March 9, 2012

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AMERIPRISE FINANCIAL, INC.  
707 SECOND AVENUE SOUTH  
MINNEAPOLIS, MINNESOTA 55474

March 9, 2012

## 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 Ameriprise Financial, Inc. for the 2012 annual meeting of shareholders and for any adjournment or postponement of the meeting. In this proxy statement, we may also refer to Ameriprise Financial, Inc. as "Ameriprise Financial," "Ameriprise," "the Company," "we," "our" or "us."

We are holding the 2012 annual meeting at 11:00 a.m. Minneapolis time, on Wednesday, April 25, 2012, at the Company's Minneapolis headquarters and invite you to attend in person. If you need special assistance at the meeting because of a disability, you may contact Thomas R. Moore, our Vice President, Corporate Secretary and Chief Governance Officer, by telephone at (612) 678-0106, by email at [thomas.r.moore@ampf.com](mailto:thomas.r.moore@ampf.com) or by writing to him at 1098 Ameriprise Financial Center, Minneapolis, MN 55474. We have arranged for a live audio webcast of the 2012 annual meeting to be accessible to the general public on the Internet at [ir.ameriprise.com](http://ir.ameriprise.com).

**Under rules adopted by the Securities and Exchange Commission, we provide our shareholders with the choice of accessing the 2012 annual meeting proxy materials over the Internet, rather than receiving printed copies of those materials through the mail. In connection with this process, a Notice Regarding the Availability of Proxy Materials is being mailed to our shareholders who have not previously requested electronic access to our proxy materials or paper proxy materials. The notice contains instructions on how you may access and review our proxy materials on the Internet and how you may vote your shares over the Internet. The notice will also tell you how to request our proxy materials in printed form or by email, at no charge. The notice contains a 12-digit control number that you will need to vote your shares. Please keep the notice for your reference through the meeting date.**

**We anticipate that the Notice Regarding the Availability of Proxy Materials will be mailed to shareholders beginning on or about March 14, 2012.**

### Voting Information

#### Record Date

You may vote all shares that you owned as of February 27, 2012, which is the record date for the annual meeting. On February 27, 2012, we had 221,738,052 common shares outstanding at the close of business. 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 of the following ways:



directly in your name as the shareholder of record, which includes restricted stock awards issued to employees under our long-term incentive plans;

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

indirectly in the Ameriprise Financial, Inc. Stock Fund of our 401(k) plan.

If your shares are registered directly in your name, you are the holder of record of these shares and we are sending a Notice Regarding the Availability of Proxy Materials directly to you. As the holder of record, you have the right to vote by proxy, by telephone, by the Internet or by mail (if you request to receive your proxy materials by mail), or to vote in person at the meeting. If you hold your shares in street name, your broker, bank, trustee, or other holder of record is sending a Notice Regarding the Availability of 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 submitting voting instructions in the manner directed by your bank, broker, trustee, or other holder of record. Regardless of how you hold your shares, we invite you to attend the annual meeting.

## How to Vote

The Notice Regarding the Availability of Proxy Materials that most of our shareholders will receive will have information about Internet voting but is not permitted to include a telephonic voting number because that would enable a shareholder to vote without accessing the proxy materials online. The telephonic voting number will be on the website where the proxy materials can be found. For more information about voting by telephone, please see the next two sections.

**Your vote is important.** We encourage you to vote promptly. Internet and telephone voting is available through 10:00 a.m. Eastern Time on Monday, April 23, 2012, for shares held in the Ameriprise 401(k) plan and through 11:59 p.m. Eastern Time on Tuesday, April 24, 2012, for all other shares. You may vote in one of the following ways:

**By Telephone.** You have the option to vote your shares by telephone. In order to vote your shares by telephone, please go to [www.proxyvote.com](http://www.proxyvote.com) and log in using the 12-digit control number provided on your Notice Regarding the Availability of Proxy Materials. You will be provided with a telephone number for voting at that site. Alternatively, if you request paper copies of the proxy materials, your proxy card or voting instruction form will have a toll-free telephone number that you may use to vote your shares. When you vote by telephone, you will be required to enter your 12-digit control number, so please have it available when you call. 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.

**By Internet.** You can also vote your shares by the Internet. The Notice Regarding the Availability of Proxy Materials indicates the website you may access for Internet voting using the 12-digit control number included in the notice. 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. If you hold your shares in street name, please follow the Internet voting instructions in the Notice of Internet Availability of Proxy Materials you receive from your bank, broker, trustee, or other record holder. You may incur telephone and Internet access charges if you vote by the Internet.

**By Mail.** If you elect to receive your proxy materials by mail and you are a holder of record, you can vote by marking, dating, and signing your proxy card and returning it by mail in the postage-paid envelope provided to you. If you elect to receive your proxy materials by mail and you hold your shares in street name, you can vote by completing and mailing the voting instruction form provided by your bank, broker, trustee, or holder of record.

**At the Meeting.** The way you vote your shares now 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 proxy, executed in your favor, from the holder of record if you wish to vote these shares at the meeting.

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All shares that have been properly voted and not revoked will be voted as you have directed 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 corporate secretary at the meeting; (2) submit a timely later-dated proxy or voting instruction form if you hold shares in street name; (3) provide timely subsequent telephone or Internet voting instructions; or (4) vote in person at the meeting.

## **Shares Held Under the Ameriprise 401(k) Plan**

If you participate in the Ameriprise 401(k) plan, your proxy card includes shares that the plan has credited to your account. To allow sufficient time for the plan trustee to vote, the trustee must receive your voting instructions by 10:00 a.m. Eastern Time, on Monday, April 23, 2012. **If the plan trustee does not receive your instructions by that date, the trustee will vote your shares in the same proportion of votes that the trustee receives from other plan participants who did vote.**

## **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 or in the event of a contested proxy solicitation. However, if a shareholder writes a comment on the proxy card, we will forward the comment to management. In reviewing the comment, management may learn how the shareholder voted. In addition, the Inspector of Elections 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.

### *Votes Required for Proposals*

**The Board of Directors recommends that you vote "For" Items (1), (2) and (3). Properly submitted proxies will be voted "For" each Item unless otherwise specified.**

| <b>Item</b>   | <b>To elect directors and adopt the other proposals, the following proportion of votes is required:</b>  |
|---|--|
| (1) To elect four directors   | Under the majority voting standard, in an uncontested election, a nominee must receive a number of "For" votes that exceeds 50% of the votes cast* |
| (2) A nonbinding advisory vote to approve the compensation of the named executive officers  | The affirmative vote of a majority of the votes cast   |
| (3) To ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for 2012 | The affirmative vote of a majority of the votes cast   |

\*

If an uncontested incumbent nominee for director does not receive an affirmative majority of "For" votes, he or she will be required to promptly tender his or her resignation to the Board's independent Nominating and Governance Committee. The committee will then make a recommendation to the Board as to whether the

tendered resignation should be accepted or rejected, or whether other action should be taken. The Board will publicly announce its decision regarding the tendered resignation and the rationale behind it within 90 days after the election results have been certified. The director who tendered the resignation will not be permitted to vote on the recommendation of the Nominating and Governance Committee or the Board's decision with respect to his or her tendered resignation.

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**Routine and Non-Routine Proposals.** The rules of the New York Stock Exchange determine whether proposals presented at shareholder meetings are routine or non-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 under certain circumstances. If a proposal is non-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 non-routine and the owner does not provide any voting instructions.

**The rules of the New York Stock Exchange make the election of directors in an uncontested election and the nonbinding advisory vote to approve the compensation of the named executive officers non-routine items. This means that brokers who do not receive voting instructions from their clients as to how to vote their shares for these items can't exercise discretion to vote their clients' shares. Therefore, it is important that you instruct your broker as to how you wish to have your shares voted on these proposals, even if you wish to vote as recommended by the Board of Directors.**

**How We Count Votes.** In determining whether we have a quorum for the annual meeting, we count abstentions and broker non-votes as present and entitled to vote. For your convenience, we have provided this chart to show whether each item being voted on is routine or non-routine under the rules of the New York Stock Exchange. The chart also shows how abstentions and broker non-votes will be treated in determining the outcome of voting on each item.

| <b>Item Being Voted On</b>  | <b>Routine/<br/>Non-Routine</b> | <b>Treatment of<br/>Abstentions</b>                  | <b>Treatment of<br/>Broker Non-Votes</b>                       |
|---|---------------------------------|--|--|
| (1) To elect four directors   | Non-routine                     | No effect; not included in numerator or denominator. | No effect; not included in numerator or denominator.           |
| (2) A nonbinding advisory vote to approve the compensation of the named executive officers  | Non-Routine                     | No effect; not included in numerator or denominator. | No effect; not included in numerator or denominator.           |
| (3) To ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for 2012 | Routine                         | No effect; not included in numerator or denominator. | Broker non-votes do not occur with respect to routine matters. |

**Multiple Shareholders Sharing the Same Address**

For those shareholders requesting paper proxy materials who share a single address and would like to receive only one annual report and proxy statement at that address, please contact our corporate secretary. This service, known as "householding," is designed to reduce our printing and postage costs. If after signing up for householding any shareholder residing at such an address wishes to receive a separate annual report or proxy statement in the future, he or she may contact our corporate secretary. The contact information for our corporate secretary is provided on page one under "General Information."

**Cost of Proxy Solicitation**

We will pay the expenses of soliciting proxies. Our directors, officers or employees may solicit proxies for us in person, or by telephone, facsimile or electronic transmission for no additional compensation. We have hired D.F. King & Co., Inc. to help us distribute and solicit proxies. We will pay D.F. King \$16,000 plus expenses for these services.

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## Corporate Governance

This section highlights our corporate governance program. We provide details about these and other corporate governance policies and practices in other sections of the proxy statement and on our website on the Corporate Governance page of the "Company Information" section at [ir.ameriprise.com](http://ir.ameriprise.com).

### Requests for Copies of Materials

You may request copies of any of the documents referred to in this section of the proxy statement by calling Thomas R. Moore, our Vice President, Corporate Secretary and Chief Governance Officer, at (612) 678-0106. You may also write to him by email at [thomas.r.moore@ampf.com](mailto:thomas.r.moore@ampf.com) or by mail at 1098 Ameriprise Financial Center, Minneapolis, MN 55474. We'll provide the copies at no cost to you.

### Director Independence

Our Board, acting upon the recommendation of its Nominating and Governance Committee, has affirmatively determined that the following directors have no material relationship with the Company and are therefore independent under the corporate governance listing standards of the New York Stock Exchange: Ms. Marshall and Messrs. Greenberg, Knowlton, Lewis, Noddle, Sarles, Sharpe, and Turner.

Our only non-independent director is Mr. Cracchiolo, our chairman and chief executive officer and the only Company officer serving on the Board.

### Independence of Committee Members

As required by the rules of the New York Stock Exchange, only independent directors serve on these standing committees of the Board: Audit; Compensation and Benefits; and Nominating and Governance. Members of the Audit Committee also meet the independence standards of Rule 10A-3 of the Securities Exchange Act of 1934, as amended. Members of the Compensation and Benefits Committee also meet the independence standards for "outside directors" under Section 162(m) of the Internal Revenue Code of 1986, as amended, and are considered "non-employee directors" under Rule 16b-3 of the Securities Exchange Act of 1934, as amended.

On the Board's Executive Committee, Mr. Cracchiolo serves as the committee's chairman and the chairmen of the three other standing committees serve as the Executive Committee's other members. The corporate governance rules of the New York Stock Exchange do not require that all members of the Executive Committee be independent directors.

### Categorical Standards of Director Independence

Upon the recommendation of its Nominating and Governance Committee, the Board has approved categorical standards of director independence. These categorical standards: assist the Board in making its independence determinations; provide investors with an adequate means of assessing the quality of the Board's independence; and avoid the excessive disclosure of immaterial relationships. The Board's categorical standards of independence are posted on our website on the Corporate Governance page of the "Company Information" section at [ir.ameriprise.com](http://ir.ameriprise.com). The categorical standards generally classify as "not material": relationships with our Company arising in the ordinary course of business; relationships with companies of which a director is a shareholder or partnerships of which a director is a partner; contributions made or pledged to charitable organizations with which a director has a relationship; certain familial relationships; and certain social and other relationships. In addition to the New York Stock Exchange's standard independence tests, the Nominating and Governance Committee applied the categorical standards of independence when making its recommendations regarding director independence to the Board of Directors. In making these independence recommendations, the Nominating and Governance Committee considered all relationships and transactions between the

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director and the Company as described in questionnaires completed by each director and in materials provided by management, which may include transactions discussed in this proxy statement and relationships not considered material under the categorical standards of independence approved by the Board.

### **Committee Charters**

The Board's Audit, Compensation and Benefits, and Nominating and Governance Committees each operate under a written charter that is approved by the Board of Directors. Each committee charter satisfies the requirements of the New York Stock Exchange's corporate governance listing standards. Each committee reviews and reassesses the adequacy of its charter at least annually. Each committee will recommend any proposed changes to the Board of Directors for consideration and approval. The committee charters are posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com* and additional information about each committee is contained in the sections following this summary.

The Executive Committee also operates under a written charter that is approved by the Board of Directors. The Executive Committee's charter is posted on our website at the same location as the other committee charters.

### **Internal Audit Function**

The Company has an internal audit function that is supervised by our general auditor. The Audit Committee reviews the appointment and replacement of the general auditor. The Audit Committee also annually reviews the performance and compensation of the general auditor. The general auditor reports regularly to the Audit Committee, including in executive sessions where he is the only officer present.

### **Audit Committee Financial Experts**

The Board of Directors has determined that William H. Turner, the chairman of the Audit Committee, and H. Jay Sarles, a member of the Audit Committee, are "audit committee financial experts" as that term is defined by the regulations of the Securities and Exchange Commission, or SEC. The Board has also determined that Messrs. Sarles and Turner are financially literate and have accounting or related financial management expertise, as those qualifications are interpreted by the Board in its business judgment. The Board has also determined that each other Audit Committee member is financially literate, as that term is interpreted by the Board in its business judgment.

### **Executive Sessions of Independent Directors**

The independent directors customarily meet in executive session without management present at each regularly scheduled meeting of the Board. The Board may decide, however, that such an executive session is not required at a particular Board meeting.

### **Presiding Director**

The Company's Corporate Governance Guidelines provide that the then serving chairman of the Nominating and Governance Committee shall act as the Board's presiding director, with the following duties: preside over executive sessions of the non-management and independent directors; serve as the principal liaison between the Board and the Company's chairman and chief executive officer on sensitive issues; and preside at meetings of the Board of Directors in the event of the chairman's unavailability. Ms. Marshall currently serves as the Board's presiding director.

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### **Communications from Shareholders and Other Interested Parties**

Shareholders and other interested parties may make their concerns known to the independent directors by communicating directly with the presiding director or another director via the Company's corporate secretary. You can find more information about how to communicate with our independent directors on page 11 of this proxy statement, under the caption "Communicating with Directors."

### **Our Board's Leadership Structure**

Our Board of Directors determines which leadership structure best serves its needs and those of our shareholders. Currently, Mr. Cracchiolo serves as both the chairman of the Board of Directors and the chief executive officer of the Company. Ms. Marshall, the chairman of the Board's Nominating and Governance Committee, currently serves as the Board's presiding director.

Recognizing that the Company's or the Board's circumstances may change, the Board has no policy with respect to the separation of the offices of the chairman and chief executive officer. As stated in our Corporate Governance Guidelines, "The Board believes that this issue is part of the succession planning process, which is overseen by the Compensation and Benefits Committee, and that it is in the best interests of the Company to make a determination when it elects a new chief executive officer."

The Board believes that Mr. Cracchiolo's service as both chairman and chief executive officer has the following advantages for the Company given the specific characteristics or circumstances of the Company: the preparation for board meetings, particularly the format and content of board presentations, is very efficient; there is a single source of leadership and authority for the Board; there is no need to incur additional costs by providing a separate chairman with administrative support and increased compensation; and Mr. Cracchiolo's intimate knowledge of the Company's strategy and day-to-day operations allows him to coordinate Board communications and actions quickly.

The role of the Board's presiding director is an important part of the Board's leadership structure. At other companies, this role may be called a "lead director." Our Corporate Governance Guidelines assign the following duties to the presiding director: preside over executive sessions of non-management and independent directors; serve as principal liaison between the Board's chairman and chief executive officer on sensitive issues; and preside at meetings of the Board of Directors in the event of the chairman's unavailability.

In addition to the presiding director, our Board has adopted a number of procedures and policies designed to preserve the effectiveness of the independent directors and the transparency of Board operations. For example, each Board agenda includes an executive session of the independent directors, although those directors may decide that one is not needed. Any director is free to suggest agenda items, to request additional time for an agenda topic, or to request information from management. The independent directors also have regular access to members of management other than the chief executive officer. In advance of each regular Board meeting, the corporate secretary asks the independent directors to submit any questions or topics that they would like the chairman and chief executive officer to address at the meeting.

### **Our Board's Role in Risk Oversight**

It is the job of our chief executive officer, chief financial officer, general counsel, and other members of our senior management to identify, assess, and manage our exposure to risk. Our Board plays an important role in overseeing management's performance of these functions. The Board of Directors has approved the charter of its Audit Committee, and that charter lists the primary responsibilities of the Audit Committee. Those responsibilities require the Audit Committee to discuss with management, the general auditor, and the independent auditors the Company's enterprise-wide risk assessment and risk management processes, including major risk exposures, risk mitigants, and the design and effectiveness



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of the Company's processes and controls to prevent and detect fraudulent activity. Some aspect of risk management and oversight is discussed at virtually every Audit Committee meeting. The Audit Committee's charter is posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*.

As a diversified financial services company, our business is subject to a number of risks and uncertainties, which are described in detail in our Form 10-K for the year ended December 31, 2011, which is included as part of our 2011 Annual Report to Shareholders. The Audit Committee and the Board as a whole receive regular reports from management and our independent auditors on prevailing material risks and the actions being taken to mitigate them. Management also reports to the Audit Committee and the Board on steps being taken to enhance our risk management processes and controls in light of evolving market, business, regulatory, and other conditions. Because five of our eight independent directors serve on the Audit Committee, a majority of the independent directors is closely and regularly involved in the risk oversight function.

Directors who do not serve on the Audit Committee receive copies of the Committee's meeting materials, including draft minutes for each Audit Committee meeting. The chairman of the Audit Committee reports to the entire Board on the Audit Committee's activities and decisions. In addition, each presentation to the Audit Committee or the Board on any significant matter is preceded by an executive summary that includes a section devoted to risk management issues. This section is intended to focus the attention of the Audit Committee and the Board on key risk topics and management's related risk management strategies and processes. As part of its ongoing responsibilities, the Audit Committee reviews and assesses the quality and clarity of the risk management information provided to it and, if necessary, makes recommendations to management for improving this information reporting.

Because we are in a highly regulated industry, the Audit Committee and the Board receive regular reports of examination from our regulators. In part, these reports address risk management topics and, as needed, the Audit Committee and the Board will respond in writing to risk management or other issues raised in the reports. In order to confirm that it is receiving candid and complete information on risk management and other topics, the Audit Committee holds regular separate executive sessions with members of executive management, our independent auditors, and our general auditor.

In response to emerging best practices and regulatory guidelines, the Audit Committee and the Compensation and Benefits Committee have received reports on risks related to our incentive compensation plans across the Company. The committees will continue to receive such reports as needed. These plans cover officers and employees who are not executive officers. We discuss this subject in more detail in the section of the Compensation Discussion and Analysis captioned "Risk and Incentive Compensation" beginning at page 45.

In the preceding section of the proxy statement, we explained our Board's leadership structure. Our chairman and chief executive officer is ultimately responsible for the effectiveness of the Company's risk management processes and is an integral part of our day-to-day risk management processes. He also attends each Audit Committee meeting, except in extraordinary circumstances unrelated to that meeting's agenda. As a result, his ability to lead our enterprise risk management program and to assist in the Board's oversight of that program improves the effectiveness of both the Board's leadership structure and its oversight of risk.

## **Consideration of Director Candidates Recommended by Shareholders**

The Nominating and Governance Committee will consider director candidates recommended by shareholders, provided that the requirements explained on page 15 under the caption "Director Nomination Process" are satisfied.

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### **Annual Performance Evaluation Process for the Board and its Committees**

The Nominating and Governance Committee oversees an annual performance evaluation process for the Board of Directors and the Audit, Compensation and Benefits, and Nominating and Governance Committees. The process is intended to determine whether the Board and its committees are functioning effectively.

### **Corporate Governance Guidelines**

The Board of Directors has approved Corporate Governance Guidelines. Among other topics, the Corporate Governance Guidelines address: director qualification standards; director responsibilities; director access to management and, as necessary and appropriate, independent advisors; director compensation; director orientation and continuing education; management succession; and the annual performance evaluation of the Board and its committees. The Corporate Governance Guidelines are posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*.

### **Codes of Conduct**

We have adopted a Code of Conduct to guide ethical business behavior and decision-making. The Code applies to all of our officers, employees, financial advisors, and their employees, and individuals conducting business on behalf of us and our subsidiaries. Following our Code of Conduct and all applicable laws, regulations, and Company policies is a condition of employment or association with the Company.

The Board of Directors has adopted a Code of Business Conduct for Members of the Board of Directors of Ameriprise Financial, Inc. This Code is intended to focus each director on areas of potential conflicts of interest and provide guidance relating to the recognition and handling of ethical issues. The Code also provides mechanisms to report potential conflicts of interest or unethical conduct and is intended to help to foster a culture of openness and accountability.

Both of these Codes are posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*.

### **Director Attendance at Annual Meeting of Shareholders**

Our Corporate Governance Guidelines state that directors are expected to attend the annual meeting of shareholders. The corporate secretary reminds each director of this policy in writing in advance of each annual meeting of shareholders. At our 2011 annual meeting of shareholders, all directors then serving were in attendance.

### **Majority Voting for Directors**

Our By-Laws provide for majority voting for directors in uncontested elections. The plurality standard will be used in the case of contested elections. We anticipate that the election of directors to be held at the meeting will be uncontested, and therefore the majority voting standard will apply. We have provided additional information about the By-Law provisions governing majority voting for directors beginning on page three of this proxy statement, under the caption "Votes Required for Proposals."

### **Director Qualifications and Board Policies**

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

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Directors should possess integrity, energy, forthrightness, analytical skills and the 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.

The Nominating and Governance Committee will consider whether the candidate has served as the chief executive officer, chief financial officer or other executive officer of a public company with significant policy-making or operational responsibility. The Committee also evaluates a candidate's manifest potential to significantly enhance the effectiveness of the Board and its committees. Experience in an area that is directly relevant to one or more of our business segments is also an important consideration.

The committee considers these specific qualities or skills as being necessary for one or more directors to possess:

A majority of directors must satisfy the independence standards established by the New York Stock Exchange;

Enough independent directors must be financially literate and have accounting or related financial management expertise so that the current and anticipated membership needs of the Audit Committee can be satisfied;

Directors are expected to possess the skills, experience, and professional background necessary to gain a sound understanding of our strategic vision, mix of businesses, and approach to regulatory relations and enterprise risk management; and

The Board as a whole must possess a mix and breadth of qualities, skills, and experience that will enable it and its committees to promote the best interests of the Company and its shareholders and to address effectively the risk factors to which the Company is subject.

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

In 2010 and 2011, with the advice and assistance of a nationally recognized search firm, the Board's independent Nominating and Governance Committee conducted a year-long selection process to identify and interview potential board candidates. The search firm placed Mr. Lon R. Greenberg, the chairman and chief executive officer of UGI Corporation, on the list of potential candidates it had identified for the committee's consideration. After the Committee's due diligence efforts, the Board, upon the Committee's recommendation, appointed Lon R. Greenberg as a director as of June 7, 2011. Information about Mr. Greenberg's qualifications is provided on page 27. As a Class I director, Mr. Greenberg is standing for election by the shareholders at the 2012 annual meeting.

We believe that each director should have a substantial personal investment in the Company. A personal holding of Company shares or deferred share units having a market value of five times the amount of the current annual retainer *upon attainment* is recommended for each director. A decrease in the price of a share of our common stock after a director has attained the required ownership threshold will not negate the director's satisfaction of this requirement. Directors are expected to attain this ownership threshold within five years of joining the Board. We disclose the dollar value of each outside director's equity holdings as of February 27, 2012, on page 18.

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### **Board Diversity**

Our Board of Directors does not have a formal written policy with regard to the consideration of diversity in identifying director nominees. Our Corporate Governance Guidelines, however, require the Board's Nominating and Governance Committee to review the qualifications of the directors and the composition of the Board as a whole periodically. This assessment includes not only the independence of the directors, but consideration of required minimum qualifications, diversity, age, skills, and experience in the context of the needs of the Board. Our Corporate Governance Guidelines provide that the Board will establish the number of directors based on the recommendations of its Nominating and Governance Committee, which will consider, among other factors: the Board's current and anticipated need for directors with specific qualities, skills, experience or backgrounds; the availability of highly qualified candidates; committee workloads and membership needs; and anticipated director retirements.

Whenever the Nominating and Governance Committee engages a search firm to identify potential director candidates, the committee instructs the firm that diversity considerations are highly important. Similarly, whenever the committee considers candidates identified by other directors or shareholders, the same considerations apply. Because our Board of Directors is relatively small, it may not always be possible to recruit a director who has the skills and experience needed by the Board at that time and who also enhances the diversity of the Board. Nevertheless, considerations of diversity will continue to be important factors in identifying and recruiting new directors.

### **Communicating with Directors**

The Board of Directors has provided a means by which shareholders or other interested parties may send communications to the Board or to individual members of the Board. Such communications, whether by letter, email or telephone, should be directed to the Company's corporate secretary, who will forward them to the intended recipients. However, unsolicited advertisements or invitations to conferences or promotional material, in the discretion of the Company's corporate secretary, may not be forwarded to the directors.

If a shareholder or other interested party wishes to communicate a concern to the chairman of the Audit Committee about our financial statements, accounting practices, internal controls or business ethics or corporate conduct, the concern should be submitted in writing to the chairman of the Audit Committee in care of our corporate secretary. If the concern relates to our executive compensation program, the concern should be submitted in writing to the chairman of the Compensation and Benefits Committee in care of our corporate secretary. If the concern relates to our governance practices, the concern should be submitted in writing to the chairman of the Nominating and Governance Committee in care of our corporate secretary. If the shareholder or other interested party 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 our corporate secretary. The contact information for the Company's corporate secretary is provided on page one under "General Information."

Our "whistleblower" policy prohibits us or any of our employees from retaliating or taking any adverse action against anyone for raising a compliance or ethical concern in good faith. If a shareholder, employee or other interested party nonetheless prefers to raise his or her concern in a confidential or anonymous manner, the concern may be directed to Ethicspoint®, at (800) 963-6395. This is a confidential, independent service that allows individuals to report compliance or ethical issues and concerns they may have concerning Ameriprise Financial. An Ethicspoint® specialist will forward accounting and auditing issues to our general auditor and our general counsel, who will confirm that the matter is properly investigated and, if deemed appropriate, report the results to the Audit Committee.

Table of Contents**Board and Committee Meetings**

During 2011, the Board of Directors met eight times. All of our directors attended 89% or more of the meetings of the Board and Board committees on which they served in 2011.

**Membership on Board Committees**

This table lists our four standing Board committees, the directors who currently serve on them, and the number of committee meetings held in 2011.

| <b>Audit</b>                    | <b>Compensation and Benefits</b> | <b>Executive</b>  | <b>Nominating and Governance</b> |
|---------------------------------|----------------------------------|-------------------|----------------------------------|
| Mr. Turner(1)                   | Mr. Noddle(2)                    | Mr. Cracchiolo(2) | Ms. Marshall(3)                  |
| Mr. Greenberg(4)                | Mr. Knowlton                     | Ms. Marshall      | Mr. Lewis                        |
| Mr. Knowlton                    | Mr. Lewis                        | Mr. Noddle        | Mr. Noddle                       |
| Mr. Sarles(5)                   | Ms. Marshall                     | Mr. Turner        | Mr. Sarles                       |
| Mr. Sharpe                      | Mr. Sharpe                       |                   |                                  |
| Number of meetings held in 2011 |                                  |                   |                                  |
| 12                              | 7                                | 1                 | 4                                |

(1) chairman and audit committee financial expert

(2) chairman

(3) chairman and presiding director

(4) Mr. Greenberg was appointed as a director as of June 7, 2011, and was appointed as an Audit Committee member as of October 6, 2011.

(5) audit committee financial expert

**Compensation and Benefits Committee**

Under its written charter, the Compensation and Benefits Committee's primary purposes are to: establish the philosophy and objectives that will govern our compensation and benefits programs; oversee and approve the compensation and benefits paid to our chief executive officer and other executive officers; recommend to the Board for approval executive and other compensation and benefits plans and arrangements; and promote the clear and complete disclosure to shareholders of material information regarding the compensation and benefits of our chief executive officer, chief financial officer, and our highest paid executive officers. A copy of the committee's charter is posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*.

The committee is also responsible for oversight of the incentive compensation plans throughout the Company, to the extent and in manner set forth in relevant regulatory guidance or rules and for recommendations to the Board on matters related to nonbinding advisory votes of shareholders to approve the compensation of the named executive officers, submitted as Item 2 of this proxy statement, and the frequency of those votes.

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Among other matters, the committee exercises ultimate authority with respect to: the compensation and benefits of our chief executive officer and other executive officers; the approval of grants and awards of equity-based and other incentive awards to our chief executive officer and other executive officers and to employees below the executive officer level; and the engagement, oversight, compensation, and termination of the committee's compensation consultant.

While the Compensation and Benefits Committee oversees our executive compensation program, the Nominating and Governance Committee has the authority to oversee the compensation and benefits of non-management directors and make recommendations on such matters to the Board of Directors for approval. We provide information about the compensation of our outside directors beginning on page 18.

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The Compensation and Benefits Committee has the authority under its charter to: retain independent legal or other advisors; ask us to provide the committee with the support of one or more of our officers or employees to assist it in carrying out its duties; and request any of our officers or employees or those of our outside counsel or independent auditors to attend a meeting of the committee or to meet with any members of, or consultants to, the committee.

The committee has the authority to determine the appropriate amount of funding to be provided by us for the payment of the compensation of any compensation consultant or other advisor engaged by the committee and for the payment of any administrative expenses of the committee that are necessary or appropriate in carrying out its duties.

The committee has the authority to delegate its authority to one or more subcommittees, including to the committee chairman, who may act on behalf of the committee during the intervals between meetings. Depending on the nature of the authority being delegated, a subcommittee may have to consist of a minimum of two members due to certain federal securities and tax law requirements.

The committee may also delegate its authority to one or more of our officers or employees to the extent permitted by federal securities and income tax laws, Delaware law, the rules of the New York Stock Exchange or the governing compensation plan document.

The committee has delegated certain administrative authority to our chief human resources officer to promote the efficient and timely administration of our compensation and benefits plans.

***The Role of Executive Officers.*** Our executive officers play the following roles in recommending the amount or form of executive compensation: preparing committee meeting materials related to the performance of the committee's duties, including total compensation tally sheets and other summaries of executive officers' total compensation; proposing the adoption of new or amended compensation or benefits plans; the chief executive officer will make recommendations to the committee for consideration regarding compensation actions for executive officers other than himself; our chief human resources officer will discuss survey and benchmarking data related to executive compensation and other topics of interest to the committee; and our chief financial officer will discuss and explain the setting and calculation of financial performance goals for certain executive compensation plans. No executive officer has the authority to approve his or her compensation or to make equity-based grants to himself or herself, or to any other executive officer.

***The Committee's Independent Compensation Consultant.*** The Compensation and Benefits Committee currently uses the firm of Frederic W. Cook & Co., Inc. ("Cook") as its independent compensation consultant. The committee has approved a Compensation Consultant Policy that addresses the following topics: the relationship between the committee and its compensation consultant; the criteria that the committee uses to select its consultant; the consultant's duties; how the committee evaluates its compensation consultant; the standards that the committee will apply in determining whether its consultant is independent of the Company's management; and the related disclosure to be provided to our shareholders. We have posted the committee's Compensation Consultant Policy on our website on the Corporate Governance page of the "Company Information" section at [ir.ameriprise.com](http://ir.ameriprise.com). You can request a copy of the Compensation Consultant Policy by writing to Thomas R. Moore, Vice President, Corporate Secretary and Chief Governance Officer, 1098 Ameriprise Financial Center, Minneapolis, MN 55474. You may also call Mr. Moore at (612) 678-0106 or email him at [thomas.r.moore@ampf.com](mailto:thomas.r.moore@ampf.com). He will send you a copy of the policy without charge.

Under the committee's charter, the engagement letter between Cook and the committee, and the Compensation Consultant Policy, the committee is responsible for the appointment, oversight, amount of compensation, evaluation, retention, and termination of its compensation consultant. Cook works for and reports directly to the committee, not the Company's management, with respect to executive

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compensation matters. The committee recognizes that its consultant will necessarily work with representatives of management on executive compensation and other matters within the scope of the committee's responsibilities. When doing so, however, Cook will act as the committee's representative and solely on the committee's behalf.

In its capacity as the committee's consultant, Cook provided the following services, among others: advice and guidance with respect to trends and issues related to executive compensation; assisting the committee in benchmarking competitive compensation, including the composition of a peer group to be used as a market check or reference point in reviewing proxy compensation data; assisting the committee in developing an executive compensation philosophy and program suited to our business strategy and goals; and preparing reports and analyses for the committee's meeting materials. One or more representatives of Cook attend committee meetings as needed.

At a committee meeting held on February 24, 2012, the committee evaluated Cook's performance and confirmed that Cook continues to be independent of the Company's management, in light of the five independence standards established in the policy. The lead representative of Cook assigned to the committee engagement has certified in writing to the committee that Cook satisfies all five of the independence standards: Cook did not provide the Company with any products and services unrelated to the consultant's engagement with the committee; all products and services provided by Cook to the committee have been provided in the ordinary course of business and on substantially the same terms and conditions, including fees and charges, as would be available to similarly situated parties; Cook has not provided products or services to any executive officer of Ameriprise Financial as an individual client of the firm; the firm's representatives assigned to the engagement are not an "immediate family member", as defined in the policy, of any committee member or any executive officer of Ameriprise Financial; and the firm's representatives are not former employees of Ameriprise Financial or any of its affiliates.

**Reporting to the Board.** The committee chairman reports to the entire Board regarding each committee meeting. When appropriate these reports and related discussion are conducted in executive session, without management present. Before the committee takes final action with respect to compensation actions affecting the chief executive officer, it first discusses its proposed actions with the other independent directors, without management present.

Management discusses the proposed agenda for each committee meeting with the committee chairman in advance and it is reviewed with the other committee members in advance as well. The committee has adopted a policy of including an executive session on the agenda of each committee meeting. The committee members may decide, however, that an executive session is unnecessary at a particular meeting. This executive session is held without management present. The committee chairman has the authority to add or delete items from any proposed agenda, and to call special meetings of the committee at any time.

**Compensation Committee Interlocks and Insider Participation.** The Compensation and Benefits Committee members include Warren D. Knowlton, W. Walker Lewis, Siri S. Marshall, Jeffrey Noddle, chairman, and Robert F. Sharpe, Jr. None of the members is a former or current officer or employee of the Company or any of its subsidiaries, or is an executive officer of another company where an executive officer of Ameriprise Financial is a director.

## **Nominating and Governance Committee**

The Nominating and Governance Committee operates under a written charter that is posted on our website on the Corporate Governance page of the "Company Information" section at [ir.ameriprise.com](http://ir.ameriprise.com). The committee's purposes are to: assume a leadership role in shaping the corporate governance of the Company; promote the effective functioning of the Board and its committees; advance the best interests of the Company and its shareholders through the implementation, oversight, and disclosure of sound



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corporate governance guidelines and practices; periodically review the compensation of outside directors and recommend changes to the Board for approval; and promote the clear and complete disclosure to shareholders of material information regarding the compensation and benefits of the Company's outside directors.

In 2011, the committee amended its charter, with the Board's approval, to include oversight responsibility for corporate political spending. Based on the committee's recommendation, the Board also approved a Statement of Principles Governing Corporate Political Spending, which is posted on our website at *ir.ameriprise.com*, to govern those contributions and expenditures, if any, made at the direction of the Company's officers with corporate funds. After review by the committee or its chairman, the Company will post on its website an annual corporate political spending report.

The committee has adopted a policy of including an executive session attended by committee members only on the agenda of each committee meeting. The committee members may decide, however, that an executive session is unnecessary at a particular meeting.

**Director Nomination Process.** The Nominating and Governance Committee considers and recommends candidates for election or appointment to the Board. The committee also considers candidates for election to the Board submitted by shareholders. Each member of the committee participates in the review and discussion of director candidates. In addition, members of the Board of 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 or appointment, the committee will apply the standards and criteria set forth under the caption "Director Qualifications and Board Policies" beginning on page 9 of this proxy statement. The 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.

Shareholders who wish to submit nominees for election at an annual or special meeting of shareholders must follow the procedures described on page 70. Shareholders who wish to submit a candidate for consideration by the Nominating and Governance Committee may do so by sending the candidate's name and supporting information to Thomas R. Moore, Vice President, Corporate Secretary and Chief Governance Officer, at the address shown on page one under "General Information."

## **Audit Committee**

The responsibilities of the Audit Committee are described in its written charter and in the following required Audit Committee Report. A copy of the committee's charter is posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*. The committee's purposes are to provide assistance to the Board of Directors by: monitoring the integrity of the consolidated financial statements of the Company; monitoring compliance by the Company with legal and regulatory requirements and the Company's Code of Conduct; evaluating and monitoring the independent auditors' qualifications and independence; evaluating and monitoring the performance of the Company's internal audit function and independent auditors, with respect to the parent company and its subsidiaries; and addressing the finance and risk management matters specified in its charter.

The committee has adopted a policy of including executive sessions on the agenda of each committee meeting. Such executive sessions may include committee members only, or may include separate executive sessions between the committee members and the general auditor, representatives of our independent auditors, or representatives of management, including our chief executive officer, chief financial officer, and general counsel. The committee members may decide, however, that executive sessions are not required at a particular meeting.

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***Audit Committee Financial Experts.*** The Board has determined that Mr. Turner and Mr. Sarles are "audit committee financial experts" as defined by the Securities and Exchange Commission regulations and that they have accounting or related financial management expertise, as the Board interpreted such qualification in its business judgment. The Board has also determined that each Audit Committee member is financially literate, as that term is interpreted by the Board in its business judgment.

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## REPORT OF THE AUDIT COMMITTEE

The Audit Committee's job is one of oversight as set forth in its charter. It is not the duty of the Audit Committee to prepare the Company's consolidated financial statements, to plan or conduct audits or investigations, or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. The Company's management is responsible for preparing the Company's consolidated financial statements and for establishing and maintaining effective internal control over financial reporting. The Company's management is also responsible for its assessment of the effectiveness of internal control over financial reporting. The independent registered public accountants are responsible for the audit of the Company's consolidated financial statements and the audit of the effectiveness of the Company's internal control over financial reporting. In addition, the independent registered public accountants are responsible for the audit of management's assessment of the effectiveness of internal control over financial reporting.

In the performance of its oversight function, the Audit Committee has reviewed and discussed with management and the independent registered public accountants the Company's audited financial statements. The Audit Committee also has discussed with the independent registered public accountants the matters required to be discussed by Statement on Auditing Standards No. 61 relating to communication with audit committees. In addition, the Audit Committee has received the written disclosures and the letter from its independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountants' communications with the Audit Committee concerning independence and has discussed with the independent accountants its independence.

The Audit Committee discussed with the Company's general auditor and independent registered public accountants the overall scope and plans for their respective audits. The Audit Committee meets with the general auditor and independent registered public accountants, 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 meets with the chief executive officer and chief financial officer of the Company to discuss the Company's control environment and the overall quality of the Company's financial reporting.

In reliance 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 2011 Annual Report to Shareholders and, for filing with the Securities and Exchange Commission, the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

### MEMBERS OF THE AUDIT COMMITTEE:

William H. Turner, Chairman  
Lon R. Greenberg  
Warren D. Knowlton  
H. Jay Sarles  
Robert F. Sharpe, Jr.

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## Compensation of Directors

***Our compensation philosophy for outside directors.*** We compete with other companies for executive talent, as we explain in the Compensation Discussion and Analysis later in this proxy statement. We must also compete with them for persons with the ability, integrity, experience, and judgment required to serve on the board of a public company. We need to attract and retain directors who meet the high qualification standards set by our Board of Directors. In order to do so, we must offer a compensation package that is both competitive and fair in view of the significant time commitment and responsibilities that come with a director's job. Only outside directors receive compensation for serving on our Board. Mr. Cracchiolo does not receive any additional compensation for his service as a director.

***We believe that our outside directors should have a substantial personal financial stake in the Company.*** Accordingly, a significant portion of our directors' compensation package is equity-based. Also, a director is expected to have an equity holding in the Company with a market value of five times the amount of the current annual cash retainer upon attainment. The current annual cash retainer for the directors is \$80,000. A decrease in the price of a share of our common stock after a director has attained the required ownership threshold will not negate the director's satisfaction of this requirement. A director must reach this goal within five years of joining our Board. Shares of our common stock and deferred share units both count toward this goal. Using a closing price of \$56.20 for a share of our common stock on the record date of February 27, 2012, the value of the common stock and deferred share units beneficially held by our outside directors on that date was as follows, rounded to the nearest dollar: Ms. Marshall (\$956,131); and Messrs. Greenberg (\$337,088); Knowlton (\$1,265,118); Lewis (\$1,034,530); Noddle (\$1,698,252); Sarles (\$1,631,036); Sharpe (\$3,465,910); and Turner (\$1,157,887).

***How and why our outside directors' compensation was determined.*** The Board's Nominating and Governance Committee is responsible under its charter for overseeing the compensation and benefits paid to our outside directors. The committee will periodically review the appropriateness of the outside directors' compensation package.

The committee will discuss with an independent consultant any proposed changes to the compensation of outside directors. The committee will then recommend to the Board that it approve such changes as the committee believes are reasonable and appropriate, based on the consultant's report and findings. If the Board approves the committee's recommendations, the new compensation package will become effective as of a date set by the Board.

***Changes made to the outside directors compensation program approved by the Board in 2011.*** At its meeting held on June 7, 2011, the Board approved changes to the outside directors' compensation program as recommended by the Nominating and Governance Committee. The committee based its recommendations on a report prepared by Frederic W. Cook & Co., Inc., its independent compensation consultant. The consultant's report found that current annual cash and equity compensation paid on a per director basis was two percent below median relative to the peer group companies and that only minor changes were needed to the director compensation program.

As recommended by its Nominating and Governance Committee, the Board approved the following changes effective as of July 1, 2011:

the annual cash retainer for the chairmen of the Compensation and Benefits Committee and Nominating and Governance Committee was increased from \$10,000 to \$15,000, prorated accordingly for the remainder of 2011;

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the dollar amount of the annual grant of deferred share units was increased from \$100,000 to \$115,000, in order to stay consistent with trends in director compensation and better account for the current structure of committee cash retainer compensation; and

the required equity ownership level for each outside director was increased to five times the current annual cash retainer with a provision that the dollar amount of the equity ownership level will increase accordingly with the annual cash retainer.

This chart summarizes the current compensation program for our outside directors. We do not pay meeting fees or grant stock options or restricted stock to our outside directors.

### Outside Directors Compensation Program for 2011

|                                    |  |
|------------------------------------|--|
| Annual Cash Retainer               | \$80,000   |
| Annual Equity Retainer             | \$115,000(1) in the form of Deferred Share Units   |
| Board Meeting Fees                 | No board meeting fees  |
| Committee Meeting Fees             | No committee meeting fees  |
| Committee Member Annual Retainer   | Committee members receive an annual retainer as follows: Audit Committee \$15,000; Compensation and Benefits Committee \$10,000; and Nominating and Governance Committee \$10,000. There is no committee member retainer for the members of the Executive Committee.   |
| Committee Chairman Annual Retainer | Committee chairmen receive an annual retainer <i>in addition to</i> the committee member retainer, as follows: Audit Committee chairman \$40,000 (\$55,000 total committee retainer); Compensation and Benefits Committee chairman \$15,000(2) (\$25,000 total committee retainer); and the Nominating and Governance Committee chairman \$15,000(2) (\$25,000 total committee retainer) |
| Charitable Matching Gift Program   | Up to \$2,000 annually   |

(1) The annual equity retainer was increased from \$100,000 to \$115,000 effective July 1, 2011.

(2) The committee chairman annual retainer for the Compensation and Benefits Committee and Nominating and Governance Committee was increased from \$10,000 to \$15,000 effective as of July 1, 2011.

**Perquisites and Personal Benefits.** Our outside directors receive occasional perquisites or personal benefits of reasonable value, such as: commemorative items in connection with their Board service; welcoming gifts at the hotel where they stay during Board meetings or events; holiday gifts; and recreational or other services and amenities when attending an off-site Board long-range planning meeting. We do not provide our directors with a tax gross-up amount on any gifts or other items given to them.

We pay for or reimburse our outside directors for their reasonable travel, lodging, food and other expenses related to their attendance at Board, committee or annual shareholder meetings. Our outside directors may use our corporate aircraft for Board-related travel, subject to the aircraft's

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availability and other restrictions. In extraordinary or unusual circumstances, such as a family emergency, we may make our corporate aircraft available to our outside directors on an exception basis.

Our outside directors are eligible to participate in our charitable gift matching program on the same basis as our employees. We will match a director's personal contributions to one or more qualifying charitable organizations subject to an annual aggregate limit, which is currently \$2,000. Directors' requests for matching gifts are processed by the same outside vendor that we use for employee matching gift requests.

***Other Assistance and Payments.*** As is true at many other public companies, our in-house counsel and other employees, as well as outside counsel, assist our outside directors in satisfying their legal reporting obligations under Section 16(a) of the Securities Exchange Act of 1934, as amended. We pay

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for the fees and expenses related to the preparation and filing of Securities and Exchange Commission Forms 3, 4 and 5 for our outside directors, but only for transactions in our equity securities.

A director's Section 16(a) reporting obligations for transactions in our equity securities are imposed solely due to his or her service on our Board. Therefore, we do not consider such assistance and related payments to be perquisites or personal benefits. Nevertheless, we have provided this information to you in the interests of full and transparent disclosure.

**2011 Director Compensation**

This table shows the total compensation paid to our outside directors during 2011. The table also discloses other payments, such as deemed dividends on deferred share units and the amount of charitable matching gifts we made, if any, for a director.

| Name                  | Committee                              |  |  | Stock Awards | All Other Compensation | Total      |
|-----------------------|--|--|--|--------------|------------------------|------------|
|                       | Annual Retainer Earned or Paid in Cash | Chairman Retainer Earned or Paid in Cash | Member Retainer Earned or Paid in Cash |              |                        |            |
| Lon R. Greenberg(3)   | \$ 45,275                              |  | \$ 3,750                               | \$ 98,333    | \$ 862                 | \$ 148,220 |
| Warren D. Knowlton(4) | 80,000                                 |  | 25,000                                 | 115,000      | 14,811                 | 234,811    |
| W. Walker Lewis       | 80,000                                 | \$ 3,242(5)                              | 20,000                                 | 115,000      | 13,725                 | 231,967    |
| Siri S. Marshall      | 80,000                                 | 12,500(6)                                | 20,000                                 | 115,000      | 15,725                 | 243,225    |
| Jeffrey Noddle        | 80,000                                 | 8,137(7)                                 | 20,000                                 | 115,000      | 25,024                 | 248,161    |
| H. Jay Sarles         | 80,000                                 |  | 25,000                                 | 115,000      | 13,725                 | 233,725    |
| Robert F. Sharpe, Jr. | 80,000                                 |  | 25,000                                 | 115,000      | 21,432                 | 241,432    |
| William H. Turner     | 80,000                                 | 40,000                                   | 15,000                                 | 115,000      | 13,725                 | 263,725    |

(1)

The dollar amounts in this column show the grant date fair value of the annual grant of deferred share units. The number of deferred share units credited to a director's account is calculated as follows: the dollar value to be received by the director is divided by the average value of a share of our common stock for the five trading days immediately preceding the fifth trading day following the first quarter earnings release date.

(2)

The dollar amount shown in this column is the total of: deemed dividends credited during 2011 to a director's plan account and reinvested in additional deferred share units; and charitable matching gifts we made during 2011 to one or more charitable organizations on behalf of the director. The aggregate incremental cost of perquisites and personal benefits is less than \$10,000 for each director. As a result, the Securities and Exchange Commission does not require us to disclose those costs. All deemed dividends were credited at the same rate as the dividends paid to holders of shares of our common stock.

For your convenience, we've broken out the two components of "All Other Compensation" in the chart below. Dollar amounts in each component have been rounded to the nearest dollar.

| Name | Charitable       |                |
|------|------------------|----------------|
|      | Deemed Dividends | Matching Gifts |

|                       |    |        |    |       |
|-----------------------|----|--------|----|-------|
| Lon R. Greenberg      | \$ | 862    | \$ | 0     |
| Warren D. Knowlton    |    | 13,811 |    | 1,000 |
| W. Walker Lewis       |    | 13,725 |    | 0     |
| Siri S. Marshall      |    | 13,725 |    | 2,000 |
| Jeffrey Noddle        |    | 25,024 |    | 0     |
| H. Jay Sarles         |    | 13,725 |    | 0     |
| Robert F. Sharpe, Jr. |    | 21,432 |    | 0     |
| William H. Turner     |    | 13,725 |    | 0     |

- (3) Mr. Greenberg was appointed a director as of June 7, 2011, and his compensation was prorated accordingly.
- (4) Mr. Knowlton elected to defer 100% of his cash retainers for 2011 under the Ameriprise Deferred Compensation Plan for Outside Directors. In lieu of cash, Mr. Knowlton received an aggregate total of deferred share units of 1,933 in his deferred compensation accounts. That number does not include deemed dividends on those units that were reinvested in additional deferred share units.
- (5) Mr. Lewis served as chairman of the Compensation and Benefits Committee until April 27, 2011.



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(6) Reflects the increase in committee chairmen retainers effective as of July 1, 2011, as discussed on pages 18-19.

(7) Mr. Noddle was appointed chairman of the Compensation and Benefits Committee as of April 27, 2011.

***Deferred Share Plan for Outside Directors.*** All of our outside directors participate in the Ameriprise Financial Deferred Share Plan for Outside Directors. Each outside director receives an annual grant of deferred share units immediately following the annual meeting of shareholders. A deferred share unit is a phantom share of our common stock that tracks the value of our common stock. A deferred share unit receives deemed dividends in the same amount paid on a share of our common stock, but it has no voting rights. Outside directors may also choose to defer part or all of their annual cash retainer and any committee chairman's retainer under the plan. This deferral feature is voluntary and during 2011 one of our directors, Mr. Knowlton, elected to defer 100% of his cash retainers into deferred share units.

Table of Contents**Outside Directors Deferred Share Plan**

| <b>FEATURE</b>                                 | <b>ANNUAL GRANT</b>  | <b>ELECTIVE RETAINER DEFERRAL</b>   |
|--|--|---|
| <b>Amount</b>                                  | \$115,000  | Before the beginning of each calendar year, a director may elect to defer up to 100% of the annual cash retainer and any committee chairman or member retainer, in 25% increments   |
|  | Outside directors whose first term is less than one year long will receive a pro-rata grant based on their length of service between their appointment to the Board and the next annual meeting of shareholders  |   |
| <b>Investment Options</b>                      | Only investment option is Ameriprise deferred share units, credited to a separate annual equity grant deferred share unit account  | Director may choose to invest deferred amounts in one or both of these options: Ameriprise deferred share units or a cash account that receives a market rate of interest, credited on the last day of each month   |
| <b>Number of Deferred Share Units Credited</b> | The number of deferred share units is determined by dividing the dollar amount awarded by the average closing price of a share of our common stock for the five trading days following the date of our annual shareholders meeting, or the five trading days following the appointment date of a director who joins the Board after the date of the most recent annual meeting | The number of units credited is determined by dividing the quarterly deferral amount by the average closing price of a share of our common stock for the five trading days following the public release of our earnings results for the immediately preceding quarter |
| <b>Dividend Equivalent Reinvestment</b>        | Account is credited with additional deferred share units on each dividend payment date for our common stock  | Deemed dividends on deferred share units are reinvested in the same manner used for the annual equity grant account   |

Number of additional units is calculated by first multiplying the number of units held

on the dividend record date by the dividend payable on a share of our common stock; that number is then divided by the average of the high and low prices of a share of our common stock on the dividend payment date

**Distribution**

Single payment in shares of our common stock following the director's end of service

A director makes a distribution election at the same time he or she makes a deferral election, and that election applies to that year's deferrals. A director makes a new distribution election each year. A director has three distribution choices:

Lump sum on March 31 of a specified year

Lump sum following the director's end of service

Up to five annual installments following the director's end of service

**Change in Control**

Upon a change in control, the entire account will be distributed in shares of our common stock

Upon a change in control, all amounts held in either account will be distributed as explained immediately above

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**Deferred share units issued to outside directors in 2011.** This table shows the number of deferred share units issued to outside directors during 2011. In order to simplify the presentation, we have rounded the numbers shown to the nearest unit. During 2011, directors' accounts were credited with deemed dividends on the deferred share units. These deemed dividends were reinvested in additional deferred share units at the same rate as those paid on a share of the Company's common stock.

| Name                  | DSU Balances as of<br>December 31, 2010 |                      |               | DSUs Credited<br>During 2011 |                                   |                      |               | DSU Balances as of<br>December 31, 2011 |                      |               |
|-----------------------|---|----------------------|---------------|------------------------------|-----------------------------------|----------------------|---------------|---|----------------------|---------------|
|                       | Annual<br>Equity Retainer<br>Grant      | Retainer<br>Deferral | Total<br>DSUs | Annual<br>Equity Grant       | Reinvested<br>Deemed<br>Dividends | Retainer<br>Deferral | Total<br>DSUs | Annual<br>Equity Grant                  | Retainer<br>Deferral | Total<br>DSUs |
| Lon R. Greenberg      | n/a                                     | n/a                  | n/a           | 1,868                        | 20                                | 0                    | 1,888         | 1,888                                   | 0                    | 1,888         |
| Warren D. Knowlton    | 11,046                                  | 1,203                | 12,249        | 1,895                        | 279                               | 2,853                | 5,027         | 13,161                                  | 4,116                | 17,277        |
| W. Walker Lewis       | 14,261                                  | 0                    | 14,261        | 1,895                        | 276                               | 0                    | 2,171         | 16,432                                  | 0                    | 16,432        |
| Siri S. Marshall      | 14,261                                  | 0                    | 14,261        | 1,895                        | 276                               | 0                    | 2,171         | 16,432                                  | 0                    | 16,432        |
| Jeffrey Noddle        | 14,261                                  | 12,914               | 27,175        | 1,895                        | 502                               | 0                    | 2,397         | 16,432                                  | 13,140               | 29,572        |
| H. Jay Sarles         | 14,261                                  | 0                    | 14,261        | 1,895                        | 276                               | 0                    | 2,171         | 16,432                                  | 0                    | 16,432        |
| Robert F. Sharpe, Jr. | 14,261                                  | 8,809                | 23,070        | 1,895                        | 430                               | 0                    | 2,325         | 16,432                                  | 8,963                | 25,395        |
| William H. Turner     | 14,261                                  | 0                    | 14,261        | 1,895                        | 276                               | 0                    | 2,171         | 16,432                                  | 0                    | 16,432        |

Includes 2010 deemed dividends reinvested in additional Deferred Share Units.

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Includes 2011 deemed dividends reinvested in additional Deferred Share Units.

Table of Contents**Ownership of Our Common Shares**

The table below shows how many Ameriprise common shares certain individuals and entities beneficially owned on February 27, 2012. These individuals and entities include: (1) owners of more than 5% of our outstanding common shares; (2) our current directors; (3) the five executive officers named in the compensation tables included in subsequent sections of this proxy statement; and (4) all current directors and executive officers as a group. A person has beneficial ownership over shares if the person has or shares voting or investment power over the shares or the right to acquire such power within 60 days of February 27, 2012. Investment power means the power to direct the sale or other disposition of the shares. Each person has sole voting and investment power over the shares, except as we describe below.

The column captioned "Deferred Share Units" shows DSUs owned by non-management directors through the Outside Directors Deferred Share Plan and phantom units owned by the executive officers under the Company's Supplemental Retirement Plan. The information in this column is not required by the rules of the Securities and Exchange Commission because these units carry no voting rights and will be settled in shares of common stock that the recipient does not have the right to acquire within 60 days of February 27, 2012. Nevertheless, we believe that this information provides a more complete picture of the financial stake that our directors and executive officers have in the Company.

| <b>Name</b>   | <b>Number of Shares Owned(3)(4)</b> | <b>Right to Acquire(5)</b> | <b>Percent of Class(%)</b> | <b>Deferred Share Units</b> |
|---|-------------------------------------|----------------------------|----------------------------|-----------------------------|
| Wellington Management Company, LLP<br>40 East 52nd Street<br>New York, NY 10022 | 16,200,018(1)                       |                            | 7.16                       |                             |
| BlackRock, Inc.<br>40 East 52nd Street<br>New York, NY 10022                    | 14,302,247(2)                       |                            | 6.32                       |                             |
| Lon R. Greenberg  | 4,100                               |                            | *                          | 1898                        |
| Warren D. Knowlton  | 5,000                               |                            | *                          | 17,511                      |
| W. Walker Lewis   | 1,895                               |                            | *                          | 16,513                      |
| Siri S. Marshall  | 500                                 |                            | *                          | 16,513                      |
| Jeffrey Noddle  | 500                                 |                            | *                          | 29,718                      |
| H. Jay Sarles   | 12,509(6)                           |                            | *                          | 16,513                      |
| Robert F. Sharpe, Jr.   | 36,150(7)                           |                            | *                          | 25,521                      |
| William H. Turner   | 4,090(8)                            |                            | *                          | 16,513                      |
| James M. Cracchiolo   | 255,290                             | 3,717,847                  | 1.79                       | 96,201                      |
| Walter S. Berman  | 51,157                              | 634,322                    | *                          | 30,537                      |
| William F. Truscott   | 93,319                              | 596,728                    | *                          | 2,653                       |
| Glen Salow  | 123,533                             | 827,870                    | *                          | 133                         |
| Donald E. Froude  | 43,843                              | 189,746                    | *                          | 37,162                      |
| All current directors and executive officers<br>(20 individuals)                | 801,108                             | 7,351,947                  | 3.68                       | 340,275                     |

\*  
Less than 1%.

(1)

Based on information contained in a report on Schedule 13G filed with the Securities and Exchange Commission on February 14, 2012, by Wellington Management Company, LLP, which contained information as of December 31, 2011.

(2)

Based on information contained in a report on Schedule 13G filed with the Securities and Exchange Commission on February 13, 2012, by BlackRock, Inc., which contained information as of December 31, 2011.

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- (3) This column includes shares held in employee benefit plan accounts on February 27, 2012, as follows:

| Name  | Number of Shares<br>in Plan Accounts |
|---|--------------------------------------|
| James M. Cracchiolo                                 | 1,345                                |
| Walter S. Berman                                    | 284                                  |
| William F. Truscott                                 | 241                                  |
| Glen Salow  | 309                                  |
| Donald E. Froude                                    | 3,101                                |
| All executive officers, including those named above | 9,858                                |

- (4) Executive officers hold restricted shares that we include in this column. The executive may vote the restricted shares, but may not sell or transfer them during the restricted period. These restrictions lapse over a period of years. The individuals in the table hold the following number of restricted shares:

| Name  | Number of<br>Restricted Shares |
|---|--------------------------------|
| James M. Cracchiolo                                 | 76,423                         |
| Walter S. Berman                                    | 23,670                         |
| William F. Truscott                                 | 26,434                         |
| Glen Salow  | 10,320                         |
| Donald E. Froude                                    | 18,929                         |
| All executive officers, including those named above | 205,767                        |

- (5) These are shares that the named individuals have the right to acquire within 60 days of February 27, 2012, upon the exercise of stock options that they hold.

- (6) Shares are held indirectly in the H. Jay Sarles Revocable Trust.

- (7) Includes 17,500 shares held in the Robert F. Sharpe, Sr. Credit Shelter Trust, 1,650 held in the Audrey R. Sharpe Trust, and 2,000 shares held in an Individual Retirement Account.

- (8) Includes 80 shares held indirectly in the William H. Turner Individual Retirement Account and 10 shares held in the Turner Family Foundation.

**Items to Be Voted on by Shareholders**

## Item 1 Election of Directors

**This is the final year our directors will stand for election or re-election by class. Beginning at our 2013 annual meeting, you will vote for all director candidates at each annual meeting. This year's four nominees include our newest director, Lon R. Greenberg. The Board appointed Mr. Greenberg to our Board of Directors as of June 7, 2011.**

Our Board of Directors has fixed the number of directors at nine, divided into three classes of nearly equal size. The members of each class are elected to serve a term of office for each class as described below. If, during the year, a director resigns or retires, the Board of Directors, upon the recommendation from the Nominating and Governance Committee, may appoint another director as a replacement. The Board may add new members during the year based on a number of factors, such as the size of the Board and the Board's desire to add fresh perspectives or expertise.

At this year's annual meeting, the terms of our Class I directors will expire. Our By-Laws and the corporate governance listing standards of the New York Stock Exchange require that the three classes of directors be as nearly equal in number as possible and that a majority of directors be elected at least once every two years. At our 2010 annual meeting of shareholders, our shareholders approved an amendment to Article V of the Company's Certificate of Incorporation that provides for the elimination of the Company's classified board structure effective as of the 2013 annual meeting of shareholders.



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Accordingly, the directors elected at this annual meeting of shareholders will be elected for a one-year term ending at the 2013 annual meeting. The declassification of our Board is being implemented as follows:

| <b>Annual Meeting Year</b> | <b>Length of Term for Directors Elected</b> | <b>Year that Term Would Expire</b> |
|----------------------------|---|------------------------------------|
| 2010                       | Three Years                                 | 2013                               |
| 2011                       | Two Years                                   | 2013                               |
| 2012                       | One Year                                    | 2013                               |
| 2013 and thereafter        | Annual Election                             | Succeeding Year                    |

The Board has appointed Walter S. Berman, John C. Junek, and Thomas R. Moore as proxies who will vote your shares on your behalf. Their names appear on the proxy card. Proxies will be voted FOR the election of each of the four nominees unless you indicate on the proxy card or voting instructions that you vote "Against", or "Abstain" from voting with respect to, any or all of the nominees. The telephone and Internet proxy submission procedures will include instructions on how to abstain from voting with respect to any or all nominees. We expect that each nominee will be able to serve if elected as a director. However, if any nominee is not able to serve, the persons named as proxies may vote for another person nominated by the Nominating and Governance Committee. Alternatively, the Board of Directors, at its option, may reduce the number of directors constituting Class I directors.

We currently expect that the election of directors will be uncontested and therefore the nominees for director will be subject to a majority voting standard, as explained in more detail on page three.

**The Board of Directors recommends a vote FOR the election of the four director nominees. Proxies will be voted FOR the election of all nominees unless otherwise specified.**

The nominees for election as director and the directors whose terms of office will continue after the meeting have provided the following information about themselves.

**The Securities and Exchange Commission's rules require us to discuss briefly the specific experience, qualifications, attributes or skills that led the Board to conclude that each director or nominee for director should serve on our Board of Directors. We've provided this discussion in a separate paragraph immediately below the biographical information provided by each director in the following section.**

**All of our directors possess the minimum qualities and skills described in the section of the proxy statement captioned "Director Qualifications and Board Policies", beginning on page nine. In addition, one or more of our directors possess the specific qualities or skills considered necessary by the Nominating and Governance Committee, also described in that section.**

**As you read the disclosures, please keep these points in mind. First, if a specific qualification, attribute or skill is ascribed to one or more directors, that doesn't necessarily imply that other directors don't possess that qualification, attribute or skill. Second, this disclosure does not impose on the director any duties, obligations or liability that are greater than the duties, obligations, and liability imposed on each member of the Board of Directors. Third, the disclosure does not affect the duties, obligations, or liability of any other member of the Board of Directors.**

**Because the discussion of the specific experience, qualifications, attributes or skills of a director is to be made each year in light of the Company's business and structure at that time, the content of this discussion may change for one or more directors in future years.**

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**Class I Directors Nominees for Terms Ending In 2013**

**Lon R. Greenberg:** Age 61, director since June 7, 2011. Mr. Greenberg has been Chairman and Chief Executive Officer of UGI Corporation since 1996. UGI Corporation is a distributor and marketer of energy products and services including propane, butane, natural gas and electricity. He joined UGI in 1980 and held various positions until he became CEO in 1995. He is also Chairman of AmeriGas Propane, Inc. Prior to joining UGI, Mr. Greenberg received his B.S. in Economics from The Wharton School of the University of Pennsylvania. He continued his education at Villanova Law School and the Harvard Business School's Advanced Management Program. After clerking for the Superior Court of Pennsylvania, he joined the law firm of Morgan Lewis. Mr. Greenberg also serves on the boards of directors of Aqua America, Inc.; Temple University and Temple University Health System; Reading Is Fundamental; PA Business Council; the Greater Philadelphia Chamber of Commerce's CEO Council for Growth and the United Way of Southeastern PA (currently serves as Vice Chairman). Mr. Greenberg is a former Chairman of the World LP Gas Association.

**Mr. Greenberg, who is an attorney-at-law, has served as the chairman and chief executive officer of a public company since 2005. He has broad experience with the financial, risk management, operational, regulatory and corporate governance issues affecting a public company and its shareholders. Mr. Greenberg also has significant experience in mergers and acquisitions, both in the United States and abroad, which will enable him to provide valuable advice and insights on future transactions to the Board and management. With the advice and assistance of a nationally recognized search firm, the Board's independent Nominating and Governance Committee conducted a year-long selection process that included a number of potential candidates other than Mr. Greenberg. The Committee's due diligence efforts included interviews of Mr. Greenberg by a majority of all directors and a review of numerous comments provided by references familiar with Mr. Greenberg. As a result of those due diligence efforts, the Committee and the Board concluded that Mr. Greenberg has the integrity, independence of thought, work ethic, analytical skills and knowledge necessary to enhance the Board's effectiveness.**

**Warren D. Knowlton:** Age 65, director since September 28, 2006. Mr. Knowlton is the former chairman of Graham Packaging Company, L.P., a leading international supplier of plastic food and beverage containers, having served in that position from 2008 until he resigned as of January 1, 2010. Formerly, Mr. Knowlton served as chairman and chief executive officer of Graham Packaging Company, L.P. from December 2006 to December 2008. Prior to joining Graham Packaging Company, L.P., Mr. Knowlton was the chief executive officer and board member of The Morgan Crucible Company plc, a U.K.-based engineered specialty materials company with global operations. Prior to joining The Morgan Crucible Company plc, he held senior leadership positions with Pilkington plc and Owens Corning in both the U.S. and international markets. Mr. Knowlton resigned from his position as a director of Smith & Nephew in 2010, having served on its board since 2000.

**Mr. Knowlton's experience as the chairman and chief executive officer of a multinational company has enabled him to advise the Board and management on long-range and business planning, executive compensation programs and trends in client needs. Mr. Knowlton is also the only director who is a certified financial planner, which gives him a unique insight into our integrated business model. He continues to travel globally for business purposes and has lived outside the United States and run two multi-national companies. Therefore, he can provide a comparative view of how companies in other countries, particularly the United Kingdom, address corporate governance and compensation issues.**

**Jeffrey Noddle:** Age 65, director since September 20, 2005. Mr. Noddle served as chairman of the board of directors of SUPERVALU INC. from 2002 until he retired in 2010. Previously, Mr. Noddle also

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served as chief executive officer of SUPERVALU since 2001. Prior to that time, Mr. Noddle held a number of other leadership positions at SUPERVALU, including president and chief operating officer from 2000-2001, corporate executive vice president and president and chief operating officer of SUPERVALU's distribution food companies, corporate vice president merchandising and president of the company's Fargo and former Miami divisions. Mr. Noddle is the immediate past chairman of the board of directors of The Food Marketing Institute. In addition, he serves as a member of the boards of directors of Donaldson Company, Inc., The Food Industry Center at the University of Minnesota and the Carlson School of Management at the University of Minnesota.

**Mr. Noddle's service as the chairman and chief executive officer of a Fortune 500 company provided him with valuable experience in a number of areas that are important to the Company, including: mergers and acquisitions, including integration planning and execution; shareholder relations and communications; corporate governance issues; executive officer succession planning; balance sheet management; financial reporting; and long-range planning. He also has contributed to the Board's knowledge of the director recruitment process as it continues to review the current composition and needs of the Board.**

**Robert F. Sharpe, Jr.:** Age 59, director since September 30, 2005. Mr. Sharpe retired in November 2010, having most recently served as a senior advisor to ConAgra Foods, Inc. Previously, he had served in a variety of senior positions with ConAgra since November 2005, including President of Commercial Foods since 2008 and Chief Administrative Officer since 2009. From 2002 until joining ConAgra, Mr. Sharpe was a partner at the Brunswick Group LLC, an international financial public relations firm. Prior to that, he served as senior vice president public affairs, secretary and general counsel for PepsiCo, Inc. from 1998 to 2002. Previously, Mr. Sharpe was senior vice president and general counsel for RJR Nabisco, Inc. Mr. Sharpe is a member of the board of directors of Swedish Match AB.

**Mr. Sharpe, who is an attorney-at-law, has been responsible for a wide range of functions as an executive officer and general counsel of Fortune 500 companies. His day-to-day experience with the current financial, legal, regulatory and operational issues facing public companies has been valuable to the Board. Mr. Sharpe has shared fresh approaches to executive compensation programs with the Board and has advised it on communications with our institutional shareholders. In addition, he has a sound understanding of risk management, financial reporting and disclosure and corporate governance issues.**

## **Class II Directors Terms Ending In 2013**

**James M. Cracchiolo:** Age 53, Chairman and Chief Executive Officer of the Company since September 30, 2005. Mr. Cracchiolo has been chairman and chief executive officer of Ameriprise Financial, Inc. since September 30, 2005, when American Express Financial Corporation completed its spin-off from American Express Company. Prior to that, Mr. Cracchiolo was chairman and chief executive officer of American Express Financial Corporation since March 2001, president and chief executive officer of American Express Financial Corporation since November 2000, and group president, global financial services of American Express since June 2000. He served as chairman of American Express Bank Ltd. from September 2000 until April 2005 and served as president and chief executive officer of Travel Related Services International from May 1998 through July 2003. Mr. Cracchiolo joined American Express in 1982. He is also on the board of advisors of the March of Dimes and previously had served on the board of Tech Data Corporation.

**Mr. Cracchiolo has 30 years of experience in the financial services industry. He held senior leadership positions at the American Express Company and its various subsidiaries before becoming the chairman and chief executive officer of Ameriprise Financial when it became a public company in 2005 as a result of our spin-off from American Express. Those positions gave**

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**Mr. Cracchiolo experience as a chief financial officer, a manager of significant business lines, and a leader of large, complex global operations. As a result of this experience, Mr. Cracchiolo brings to the Board valuable skills and a strong background in: financial controls and reporting; balance sheet management; risk management; marketing; annual and long-term business planning; and the negotiation and integration of acquisitions. Mr. Cracchiolo serves on the board of directors of the American Council of Life Insurers and The Financial Services Roundtable and is a member of Business Roundtable. His involvement with these organizations enables Mr. Cracchiolo to keep the Board informed on current legislative, regulatory, and economic issues relevant to our businesses.**

**Mr. Cracchiolo holds a bachelor's degree in accounting and economics and a master's of business administration degree in finance, both from New York University. He also holds a Certified Public Accountant designation in New York State and is certified as a General Securities Representative and General Securities Principal in the United States.**

**H. Jay Sarles:** Age 66, director since September 30, 2005. Mr. Sarles is retired, having most recently served as vice chairman of Bank of America Corporation. Prior to that, he served as vice chairman and chief administrative officer of FleetBoston Financial with responsibility for administrative functions, risk management, technology and operations, treasury services, corporate strategy and mergers and acquisitions. During his 37 years at Fleet, Mr. Sarles oversaw virtually all of Fleet's businesses at one time or another, including the company's wholesale banking businesses from 2001 to 2003. These included commercial finance, real estate finance, capital markets, global services, industry banking, middle market and large corporate lending, small business services and investment banking businesses. Mr. Sarles is also a member of the boards of directors of AvalonBay Communities, Inc., ConnectEDU and Dental Service of Massachusetts, Inc., and is a trustee of Mount Holyoke College. Previously, Mr. Sarles had served as director of Carlyle Capital Corporation from 2006 to 2009.

**Mr. Sarles has four decades of experience in the financial services industry. As an executive officer at Bank of America Corporation and FleetBoston Financial, he oversaw a wide range of businesses and functions, including technology and operations, treasury services, corporate strategy, mergers and acquisitions and investment banking. As a result, Mr. Sarles makes a valuable contribution to the Board in areas that include balance sheet management, financial reporting and disclosure, risk management, the integration of acquisitions, and long-range planning. Mr. Sarles also serves on several other boards of directors, which allows him to bring a broad perspective on board-related matters to our Board of Directors.**

**Class III Directors Terms Ending In 2013**

**W. Walker Lewis:** Age 67, director since September 30, 2005. Mr. Lewis serves as chairman of Devon Value Advisers, a financial consulting and investment banking firm that he founded in 1997. Prior to that, Mr. Lewis was a senior advisor at Dillon Read and served as a managing director of Kidder Peabody, where he was a member of the firm's management committee. From 1991 to 1993, Mr. Lewis was president of Avon Products Incorporated, North America and a member of the Office of the Chairman of Avon Incorporated. For over twenty years, from 1970 to 1991, Mr. Lewis was a strategic management consultant at Boston Consulting, as Founding Chairman of Strategic Planning Associates, and as Chairman of Mercer Management Consulting, a division of Marsh and McLennan. In his management consulting practice Mr. Lewis consulted to a number of money center banks, large life and casualty insurers, and money management companies. Mr. Lewis has served on twenty public company boards (Owens Corning, Scientific Games, American Management Systems, etc.), and private company boards (Mrs. Fields, Applied Predictive Technologies, etc.) and has participated in a number of public and private company transactions as a financial adviser, consultant, and board member.

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**Mr. Lewis has many years of experience in financial and management consulting, investment banking and board service at a number of other public and private companies. In these capacities, he has participated in a number of public and private company transactions. As a result, he contributes to the Board's understanding of executive compensation issues, merger and acquisition activity, investor relations and long-range planning. His experience in investment banking has been particularly useful when the Board considers its capital and liquidity needs and potential acquisitions.**

**Siri S. Marshall:** Age 63, director since September 30, 2005. Ms. Marshall is the former senior vice president, general counsel and secretary and chief governance and compliance officer at General Mills, Inc., having retired from those positions as of January 1, 2008. Prior to joining General Mills in 1994, Ms. Marshall was senior vice president, general counsel and secretary of Avon Products, Inc. Ms. Marshall is also a director of Equifax, Inc., Alphatec Holdings, Inc., BioHorizons, Inc. and the Yale Center for the Study of Corporate Law and is a Distinguished Advisor to the Straus Institute of Dispute Resolution, and a Trustee of the Minneapolis Institute of Arts. She has served as a director of NovaCare, Inc., Jafra Cosmetics International, Snack Ventures Europe and the American Arbitration Association. She has also served as a member of The New York Stock Exchange Legal Advisory Committee. Ms. Marshall was the recipient of the Sandra Day O'Connor Board Excellence Award in 2011.

**Ms. Marshall is an attorney-at-law and former general counsel, chief governance officer, and compliance officer at a Fortune 500 company. As a result, she is very familiar with the broad range of executive leadership issues at large public companies, and in particular, legal, regulatory, and corporate governance challenges. Through her service on the boards of other companies and participation in panel discussions at conferences for directors and attorneys, she keeps the Board informed on current trends in corporate governance, the approaches taken by other companies to shareholder concerns, and emerging board practices. She has also offered insights into communications with institutional shareholders, proxy advisory firms, and the Board's responses to shareholder proposals and concerns.**

**William H. Turner:** Age 71, director since September 30, 2005. Mr. Turner is the Chairman of International College and a senior advisor with Opera Solutions, LLC. Previously, he was the dean of Montclair State University until January 1, 2010, the founding dean of the College of Business at Stony Brook University, and a senior partner at Summus Limited. Prior to that, Mr. Turner was president and chief executive officer of PNC Bank, New Jersey from 1997 to 2000 and chairman of PNC Bank, N.A., New Jersey and Northeast Region from 2000 until his retirement in 2002. Before joining PNC, Mr. Turner was president and co-chief executive officer at Franklin Electronic Publishers, Inc. and vice chairman of Chemical Banking Corporation, which merged with The Chase Manhattan Corporation in 1995. Mr. Turner is currently a member of the boards of directors of Standard Motor Products, Inc. and Volt Information Sciences, Inc. Previously, Mr. Turner had served as director of Franklin Electronic Publishers, Inc. and New Jersey Resources, Inc.

**Mr. Turner enjoyed a long career in the financial services industry, particularly in the retail banking sector. Originally trained as a credit officer, he has held a variety of senior banking positions. As a result, he is very familiar with the types of products and services that we offer to our clients and the importance of close cooperation with our regulators. He works closely with our chief financial officer, general auditor, and independent public accountants on a wide range of issues related to financial reporting and disclosure, risk management, regulatory compliance, balance sheet management, and internal controls. Mr. Turner has proven especially helpful in providing guidance and advice to our subsidiary Ameriprise Bank, FSB and the Audit Committee of another subsidiary, Threadneedle Asset Management Holdings Sarl. Mr. Turner's service on other boards and his past leadership roles in the academic world allow him to bring a wide range of experience and new insights to his service on our Board.**

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## **Item 2 A Nonbinding Advisory Vote to Approve the Compensation of the Named Executive Officers**

**At our 2011 annual meeting, our shareholders strongly supported the Board's recommendation that a nonbinding advisory vote to approve the compensation of the named executive officers be held annually. As a result, you'll again have the chance to vote on this proposal at our 2013 annual meeting and at each annual meeting through our 2017 annual meeting. At the 2017 annual meeting, you will have another opportunity to vote on how frequently you would like this proposal to be presented to shareholders.**

At our April 2010 annual meeting, we voluntarily gave our shareholders the opportunity to cast a nonbinding advisory vote on our executive compensation philosophy, objectives, and policies.

In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 was signed into law. Among other things, the Dodd-Frank Act requires us to provide shareholders a separate nonbinding advisory vote to approve the compensation of our named executive officers. The named executive officers are the five officers identified in the Summary Compensation Table on page 52 of this proxy statement. We held such a vote at our 2011 annual meeting in the manner required by the rules of the Securities and Exchange Commission.

The Compensation and Benefits Committee will review the results of the vote on this proposal carefully with the aid of its independent compensation consultant. Depending upon the results of that review, the committee will take such action, if any, as it deems appropriate. Because this vote is advisory, however, it is not binding on us, our Board of Directors, or the Board's Compensation and Benefits Committee. Also, a negative vote will not overrule any decision made by the Compensation and Benefits Committee.

Before you vote on the resolution below, please read the entire Compensation Discussion and Analysis beginning on page 35 carefully. The Compensation Discussion and Analysis contains important information about our executive compensation program. It also explains how and why the Compensation and Benefits Committee made specific decisions about the named executive officers' compensation for their 2011 performance. The final section of the Compensation Discussion and Analysis on page 52 describes the committee's consideration of the results of the vote on this proposal at our 2011 annual meeting.

You should also carefully review the tables that immediately follow the Compensation Discussion and Analysis, together with the related narrative disclosure and footnotes.

**The Board of Directors recommends a vote FOR the following nonbinding advisory resolution. Proxies will be voted FOR the resolution unless otherwise specified:**

**RESOLVED**, that the Company's shareholders hereby approve, on an advisory basis, the compensation of the named executive officers as disclosed in this proxy statement, in the Compensation Discussion and Analysis, the Summary Compensation Table, and the other related tables and disclosure.

## **Item 3 Ratification of Audit Committee's Selection of the Company's Independent Registered Public Accountants for 2012**

**PricewaterhouseCoopers LLP was our independent accounting firm for the 2011 fiscal year and the Audit Committee has engaged it for our 2012 fiscal year. Ernst & Young LLP was our independent accounting firm for the 2010 fiscal year. We disclose the fees paid to each firm for their services in this section.**

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As previously disclosed by the Company, the Audit Committee of the Board of Directors determined not to engage Ernst & Young LLP as the Company's independent registered public accountants for the fiscal year ended December 31, 2011. Upon Ernst & Young's delivery of its Report of Independent Registered Public Accounting Firm dated February 29, 2011, in connection with the Company's filing of its 2010 Annual Report on Form 10-K, Ernst & Young concluded the 2010 fiscal year audit for the Company and completed its engagement. Ernst & Young's reports on the Company's consolidated financial statements for each of the years ended December 31, 2010, and December 31, 2009, did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

On November 28, 2011, the Audit Committee approved the engagement of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012. The Audit Committee confirmed its decision to appoint PricewaterhouseCoopers at the committee's meeting held on February 24, 2012.

We are asking shareholders to ratify the committee's engagement of PricewaterhouseCoopers, subject to the limitation stated in the last sentence of this paragraph. In the event the shareholders fail to ratify the appointment, the Audit Committee will consider other accounting firms for 2012. The Audit Committee will be under no obligation, however, to appoint new independent auditors.

One or more representatives of PricewaterhouseCoopers will be present at the meeting with the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

**Independent Registered Public Accountant Fees**

The following presents the aggregate fees billed for professional services by PricewaterhouseCoopers, the Company's independent registered public accounting firm for the year beginning January 1, 2011, in fiscal year 2011, and by Ernst & Young, the Company's independent registered public accounting firm for the year beginning January 1, 2010, in fiscal year 2010 for these various services:

| Description of Fees | PricewaterhouseCoopers LLP<br>Fiscal Year 2011 Amount | Ernst & Young LLP<br>Fiscal Year 2010 Amount |
|---------------------|---|--|
| Audit Fees          | \$ 7,693,000  | \$ 9,091,000                                 |
| Audit-Related Fees  | 1,569,000   | 1,399,000                                    |
| Tax Fees            | 1,993,000   | 1,483,000                                    |
| All Other Fees      | 281,000   | 21,000                                       |
| <b>Total</b>        | <b>\$ 11,536,000</b>                                  | <b>\$ 11,994,000</b>                         |

**Audit Fees.** The audit fees set forth above consist of fees for professional services during each fiscal year in connection with the audit of the Company's annual financial statements, review of financial statements included in the Company's Quarterly Reports on Form 10-Q and services that were provided in connection with statutory and regulatory filings or engagements and other attest services.

**Audit-Related Fees.** The audit-related fees set forth above consist of fees for assurance and related services that were reasonably related to the performance of the audit or review of the Company's financial statements.

**Tax Fees.** The tax fees set forth above consist of fees for tax services during each fiscal year.

**Services to Associated Organizations**

PricewaterhouseCoopers and Ernst & Young also provided other services to associated organizations of the Company that were charged directly to those organizations. These amounts included \$9,131,000 for

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services provided by PricewaterhouseCoopers in 2011 and \$7,086,000 for services provided by Ernst & Young in 2010, primarily for performing audits and tax compliance services to mutual funds, collective funds, and alternative investment funds.

**Policy on Pre-Approval of Services Provided by Independent Registered Public Accountants**

Pursuant to the requirements of the Sarbanes-Oxley Act of 2002, the terms of the engagement of the Company's independent registered public accountants are subject to the specific pre-approval of the Audit Committee. All audit and permitted non-audit services to be performed by the Company's independent registered public accountants require pre-approval by the Audit Committee in accordance with pre-approval procedures established by the Audit Committee. The procedures require all proposed engagements of the Company's independent registered public accountants for services of any kind to be directed to the Company's general auditor and then submitted for approval to the Audit Committee or to the Audit Committee chairman prior to the beginning of any services. The Audit Committee has delegated such approval authority to its chairman, to be exercised in the intervals between committee meetings.

In 2011, 100% of the services provided by PricewaterhouseCoopers for the Company and its subsidiaries were pre-approved by the Audit Committee or its chairman.

**The Board of Directors recommends a vote FOR the following resolution. Proxies will be voted FOR the following resolution unless otherwise specified:**

**RESOLVED**, that the Audit Committee of the Board of Directors' selection of PricewaterhouseCoopers LLP, independent registered public accountants, to audit the accounts of the Company and its subsidiaries for 2012 is ratified.



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## **COMPENSATION OF EXECUTIVE OFFICERS**

### **COMPENSATION AND BENEFITS COMMITTEE REPORT**

The Compensation and Benefits Committee has reviewed and discussed with the Company's management the Compensation Discussion and Analysis that follows this report. Based upon that review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, and in this proxy statement.

**MEMBERS OF THE COMMITTEE:**

Jeffrey Noddle, Chairman

Warren D. Knowlton

W. Walker Lewis

Siri S. Marshall

Robert F. Sharpe, Jr.

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## Compensation Discussion and Analysis

### Introduction

In this section of the proxy statement, we describe the material elements of the compensation program for our executive officers, including those identified in the Summary Compensation Table on page 52, who are called named executive officers. We also provide an overview of our executive compensation philosophy and explain how and why our Board's Compensation and Benefits Committee arrives at specific compensation policies and decisions.

### The Corporate Governance Framework of Our Executive Compensation Program

Our executive compensation program operates within a corporate governance framework that is designed to ensure independent oversight, objective advice and analysis, appropriate risk management, and transparency. These are some of the key elements of that framework and you can find additional details later in this Compensation Discussion and Analysis:

The Compensation and Benefits Committee is composed solely of independent directors;

The committee has retained Frederic W. Cook & Co., Inc. as its independent compensation consultant. Under the committee's written charter, the compensation consultant reports directly to the committee. The committee is solely responsible for the appointment, oversight, compensation, evaluation, retention, and termination of Cook or any other consultant or advisor. More details about the committee's independent compensation consultant are provided beginning on page 13;

Cook has confirmed in writing to the committee that it satisfies the independence standards set forth in the Compensation Consultant Policy adopted by the committee;

We explain how and when the committee grants equity awards on our website, together with a schedule of anticipated award dates for equity-based grants for the current year;

The committee is prohibited from repricing stock options;

None of our executive officers has an employment agreement with the Company;

We prohibit our executive officers from hedging against a decline in the value of our stock;

During 2011 we continued to examine the subject of risk and incentive compensation. When appropriate, the committee considers risk in its decisions related to executive compensation and the findings from our ongoing analyses are detailed on pages 45-46; and

The committee has implemented a clawback policy for all named executive officers and other executive officers in 2011. This policy specifies the circumstances under which the committee may exercise its discretion, to the extent permitted by law, to seek the reimbursement or forfeiture of certain cash or equity awards granted on or after January 1, 2011.

Following the annual review of post-employment compensation and benefit plans completed in 2011, the committee made changes to our executive compensation program beginning in 2012 to further align it with recent market trends and emerging practices. We'll include further details of these changes in our 2013 annual meeting proxy statement, but we provide a high-level overview here:

**Eliminate Excise Tax Gross-Ups.** Effective January 1, 2012, any provisions providing for a potential future "gross-up" of the excise tax under Section 280G of the Internal Revenue Code under our Senior Executive Severance Plan and any other arrangements have been removed and replaced with a best net approach. Under a best net approach, an officer will receive reduced severance benefits if it results in a more favorable after-tax benefit for the officer.

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**Change to a Double-Trigger Approach.** We eliminated the "single-trigger" acceleration of unvested incentive compensation upon a change in control for future awards of equity compensation granted on or after January 1, 2013. Instead, the vesting of awards granted on or after January 1, 2013, will only accelerate upon a "double-trigger" (change in control followed by termination for good reason or involuntary termination not for cause within two years).

**Reduce Severance Multiples.** Effective January 1, 2012, we reduced the multiple used to determine the amount of potential future severance paid for involuntary terminations unrelated to a change in control to 2x eligible compensation under our Senior Executive Severance Plan for our chief executive officer and 1.5x eligible compensation under our Senior Executive Severance Plan for the other named executive officers, replacing the current 3x and 2x multiple for our chief executive officer and other named executive officers, respectively.

**Adjust Severance Formula.** Effective January 1, 2012, we adjusted the definition used to determine the amount of potential future severance paid for involuntary terminations, whether or not following a change in control, from the highest bonus over the last three years to the average bonus over the last three years.

**Provide for a Pro-Rata Bonus.** Effective January 1, 2012, we changed our policy to provide for a potential pro-rata bonus to our named executive officers in the event of termination that results in severance benefits under our Senior Executive Severance Plan.

## **The Role of the Compensation and Benefits Committee**

The Compensation and Benefits Committee of our Board of Directors oversees our executive compensation program. The committee operates under a written charter approved by the Board, and only independent directors are eligible to serve on the committee. We provide important information about the committee's authority, the extent to which it may delegate its authority to other persons, and its processes and procedures in the section of this proxy statement captioned "Compensation and Benefits Committee" beginning on page 12. That section also includes additional information about the role of our executive officers in recommending the amount or form of executive compensation, and the role of the independent compensation consultant used by the committee during 2011. The committee has approved a Compensation Consultant Policy that is discussed in that section. Among other things, the policy establishes independence standards for the committee's consultant. Cook is engaged exclusively by the committee with respect to executive compensation matters and does not provide any services to management or the Company.

## **Our Executive Compensation Philosophy**

A talented, motivated and experienced workforce is essential to the success of any company. That is true at Ameriprise Financial for all employees, from senior executives to our entry level employees. Just as we compete with other companies for clients in the retail financial services marketplace, we also compete with other companies in the labor marketplace for employees with the talent, knowledge, integrity, and proven ability to produce results. The overall objective of our executive compensation program is to promote the long-term best interests of our shareholders by attracting and retaining effective, stable, and motivated leadership.

Considering all of these factors, the committee has developed an executive compensation philosophy based on the following core principles:

Executive officers' compensation must be aligned with the long-term best interests of our shareholders;

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Our executive compensation program must be competitive enough to attract and retain executive officers who can achieve the Company's strategic goals and create long-term shareholder value;

An executive officer's compensation must be appropriate in light of his or her experience, responsibilities, and performance; and

There should be strong alignment between the total direct compensation that an executive officer earns and Company, business, and individual performance. The amount an executive officer earns should depend to a significant degree upon how well the Company and the executive officer perform against performance measures that are aligned with shareholder interests.

The committee does not consider gains or losses from long-term and equity incentive awards made in prior years, such as stock option exercises and restricted stock vesting, in determining new incentive awards. The committee believes that reducing or limiting current stock option grants, restricted stock awards or other forms of compensation because of prior gains realized by an executive officer would unfairly penalize the officer for high past performance and reduce the motivation for continued high achievement. Similarly, the committee does not consider a loss of value in prior equity awards in determining new incentive awards. Our severance and change-in-control plans, which we discuss in detail beginning on page 48, do not affect the committee's decisions regarding other elements of compensation. Those plans serve very specific purposes that are unrelated to the determination of a named executive officer's total direct compensation for a specific year.

### **Compensation for the Named Executive Officers Based on 2011 Performance**

The committee has designed our executive compensation program to reflect our executive compensation philosophy. As we said in our 2011 proxy statement, the committee has continued to refine the program based in part upon the advice of its independent consultant to reflect emerging best practices in executive compensation, simplify the overall plan design and further strengthen the alignment between shareholder and management interests. In 2010, changes to the program included the creation of the Performance Share Plan. In 2011, further refinements included the addition of relative weights to our key financial metrics to better define each metric's impact in determining total direct compensation for our named executive officers. For 2012, the committee has also changed several components of the severance and change-in-control programs for all of our executive officers, reducing the potential future benefits under these programs. All of these items are described in the following pages.

In making its annual compensation decisions, the committee reviews the total direct compensation for each of our named executive officers, as well as the aggregate value of the total incentives being awarded. We use the term "total direct compensation" to refer to the sum of base salary and total incentives. We use the term total incentives to refer to the sum of the annual cash incentive award and the long-term incentive award. If performance merits, the committee approves a total incentive pool shortly after the end of each year. The amount of this pool is based on two factors. The first factor is the committee's assessment of the Company's financial performance and strategic and business accomplishments for the prior year. The second factor is the target total incentive pool for executive officers, including the named executive officers, which is based on competitive market data provided to the committee by its independent compensation consultant. We discuss the performance assessment process for 2011 below, including the nature and use of market compensation data.

**The committee establishes financial performance goals each performance year. These goals are not intended to be a prediction of how the Company will perform during the performance year or in any future period. The committee establishes these goals solely to help it align pay with performance. The goals are not intended to provide investors or any other party with guidance about our future financial performance or operating results. We strongly caution you not to take the financial performance metrics or strategic and business accomplishments disclosed below**

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**as a form of guidance, because they are not intended to be such. You cannot rely on any of the disclosures contained in the Compensation Discussion and Analysis as a prediction of the Company's future performance.**

The committee follows a four-step process for determining the total direct compensation of our executive officers, including the named executive officers. As explained below, the committee will: assess performance results; determine the size of the total incentive pool; allocate individual awards; and determine the compensation mix.

### Assess Performance Results

In this section, we highlight the key financial and strategic and business metrics that the Compensation and Benefits Committee used to determine the total incentive pool for our named executive officers. For 2011, the committee weighted financial performance at 70% and strategic and business accomplishments at 30% in assessing the Company's overall performance. Financial performance is weighted at 70% to reflect the committee's view that these objective measures are the most important indicators of the Company's success. Strategic and business accomplishments are weighted at 30% because the committee believes it is important to assess key accomplishments that may contribute to the achievement of our long-range plan.

**We use non-GAAP measures in the Compensation Discussion and Analysis. The appendix to this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2011, at page 52, provide GAAP to Non-GAAP reconciliations.**

We believe that operating measures, which exclude net realized gains or losses; the market impact on variable annuity guaranteed living benefits, net of hedges, deferred sales inducement costs ("DSIC") and deferred acquisition costs ("DAC") amortization; integration and restructuring charges; income (loss) from discontinued operations; and the impact of consolidating consolidated investment entities ("CIEs"), best reflect the underlying performance of our core operations and facilitate a more meaningful trend analysis. We use certain of these non-GAAP measures to evaluate our financial performance on a basis comparable to that used by some securities analysts and investors. Also, certain of these non-GAAP measures are taken into consideration, to varying degrees, for purposes of business planning and analysis and for certain compensation-related matters. Throughout the Compensation Discussion and Analysis, these non-GAAP measures are referred to as operating measures.

In 2011, Ameriprise continued to face a challenging external environment. Consumer confidence remained depressed due to high unemployment, ongoing market volatility and slow economic growth. While the Company had a strong start to 2011 and the overall business performed well, the environment presented headwinds. Equity markets remained weak and interest rates continued to be at historically low levels. The impact on business financials was substantial. As we have done consistently over the years, we navigated the environment well and grew the firm.

Our emphasis on executing our strategic priorities and maintaining effective enterprise risk management and strong balance sheet fundamentals continued to serve us well. All of our balance sheet drivers remained extremely strong, and we held appropriate excess capital and liquidity positions, which gave us great flexibility to return capital to shareholders. We executed well against our strategic priorities and implemented a robust investment agenda while also maintaining our commitment to reengineering and expense control.

The committee evaluates our financial performance relative to the plan approved by the committee for five weighted operating financial metrics. The 2011 plan and actual results for each of these operating

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financial metrics are shown below. A rating of "3" represents performance at target, and ratings of "1" and "2" are above target, with "1" being the highest possible rating.

| Metric   | Financial Weighting | 2011 Actual (\$ in millions) | 2011 Plan (\$ in millions) | Rating |
|--|---------------------|------------------------------|----------------------------|--------|
| Operating earnings                                 | 25%                 | \$ 1,232                     | \$ 1,224                   | 3      |
| Operating earnings per diluted share               | 20%                 | \$ 5.00                      | \$ 4.86                    | 2      |
| Operating return on equity excluding CIEs and AOCI | 20%                 | 13.2%                        | 12.7%                      | 2      |
| Operating total net revenues                       | 15%                 | \$ 10,050                    | \$ 10,036                  | 3      |
| Balance sheet quality                              | 20%                 |                              |                            | 1      |

Overall Weighted Financial Rating 2.2

Despite significant challenges posed by the external environment in 2011, Ameriprise delivered solid performance. The Company continued to make good progress toward shifting its earning mix to lower capital intense businesses, with approximately 50% of total pretax operating earnings excluding the Corporate segment being generated by Asset Management and Advice & Wealth Management, up from approximately 41% in 2010. Both of these segments experienced strong growth during the year, with Asset Management pretax operating earnings up 29% and Advice & Wealth Management pretax operating earnings up 26% versus 2010. In the Protection segment, weather-related catastrophic losses and higher auto-related reserves put pressure on results versus the prior year, but the core business remains strong and continues to provide a stable source of earnings despite external market-related challenges. The Annuities segment also performed well despite volatile markets and increasing pressure on fixed annuity spreads from the continued low short- and long-term interest rate environment.

Balance sheet core fundamentals improved in 2011, performing well on both a relative and an absolute basis. Despite volatile market conditions, the Company returned \$1.7 billion to shareholders (representing 135% of 2011 operating earnings), increased our excess capital position to more than \$2 billion compared to more than \$1.5 billion in the prior year, and authorized two increases in our quarterly dividend that represented a 56% increase. Liquidity levels remained solid with approximately \$700 million in holding company cash and cash equivalents at year end. And asset quality remained strong our unrealized gain position at year end was \$2.1 billion and we have marginal exposure to the European zone. In addition, the Company ended 2011 with operating return on equity excluding CIEs and accumulated other comprehensive income (AOCI) of 13.2%.

**Based upon this financial performance, the committee evaluated the combined weighted financial rating for 2011 as 2.2, which is above-target performance.**

The committee evaluates strategic and business accomplishments holistically and may change its evaluation metrics based on company priorities and specific goals. The committee evaluated strategic and business accomplishments for 2011 based on these five key objectives:

**Advisor Production:** Operating net revenue per advisor was up 12% compared to 2010. We increased high value clients and deepened client relationships. Advisor retention was very strong across channels with franchisee channel retention at 94.6% and record employee channel retention of 91.5%. Recruiting results were strong in a challenging environment. Throughout 2011, more than 300 experienced advisors joined Ameriprise Financial.

In addition, the Company continued to enhance our Advice & Wealth Management business through a number of initiatives, including the continued evolution of our MORE WITHIN REACH® brand platform, enhanced support for advisors with industry leading tools, content and communication to clients, improved service delivery capabilities and performance, further expansion of our virtual delivery advisor platform, and the launch of a financial planning-based distribution business in India. Lastly, the Company successfully executed on the sale of Securities America Financial Corporation, strategically exiting this business.

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**Effective Integration of the Columbia Management Acquisition:** The Columbia Management integration has gone well and is targeted for completion in 2012. We achieved net synergies of approximately \$135 million in 2011. Retention of high performers was very strong. We completed the mutual fund mergers and delivered consistent investment performance throughout the integration. We reestablished our retail intermediary distribution and grew our institutional pipeline. We also increased awareness of the new Columbia Management brand through an integrated advertising campaign.

**Assets under Management and Administration:** Despite weak and highly volatile markets that have affected consumers' investment behavior, we maintained assets under management and administration of \$631 billion and insurance in-force of \$191 billion, through focused sales and marketing and targeted product enhancements that helped off-set a weak environment.

In our Advice & Wealth Management segment, we experienced strong growth with wrap net inflows of \$7.3 billion, reaching \$103 billion in wrap assets, a 6% increase over 2010.

Asset Management segment gross sales were strong in 2011 but were offset by low basis point former parent-related outflows and increases in redemptions due to market stress as experienced across the industry. We expanded distribution to additional international regions during the year and maintained strong three- and five-year investment performance track records across our product offering and built strong one-year investment performance track records.

Within our annuities business we achieved \$1.2 billion in net inflows in the Ameriprise channel. Variable annuity cash sales of \$6.4 billion were up \$0.9 billion versus 2010 based on strong sales of our RiverSource RAVA 5<sup>SM</sup> product.

We performed well across our protection businesses. Within the life and health insurance business, we achieved historically high retention from strong product performance and retention efforts. Despite the difficult environment, life insurance in-force was essentially flat compared to 2010 at \$191 billion. Our property and casualty insurance business continued to generate good growth with net written premiums growing 5% and policies in-force growing 7% over 2010.

**Achievement of Reengineering and Investment Plans:** The Company achieved approximately \$175 million of reengineering saves in 2011, which was significantly ahead of our \$125 million goal. Reengineering results were achieved through cost, structural and strategic initiatives across our business and functional areas.

The Company also executed an investment agenda with expenditures of over \$200 million on core and strategic capabilities for the firm, including major initiatives such as the implementation of a new brokerage platform, new product introductions and enhanced product and service capabilities. Our new and enhanced product capabilities included Active Portfolio strategies, an equity-indexed universal life insurance product, a new variable annuity product RiverSource RAVA 5<sup>SM</sup>, the introduction of absolute return funds, and the acquisition of active ETFs.

**Engagement, Development and Retention of Talent:** We continued our focus in 2011 on building a high-performing organization by developing and retaining key talent and strengthening engagement during a very challenging business environment. The corporate employee engagement index increased nicely and reached an all-time high. Our engagement scores led both current Financial Services and Total United States workforce benchmark data provided by Kenexa. Employee retention and high performer retention rates remained high at the mid-to-upper 90% range.

In addition, the company received a number of industry awards and in 2011 was the recipient of diversity specific awards, including the Best Companies to Work For in Minneapolis and a 100%



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rating on the Corporate Quality Index by the Human Rights Campaign. Lastly, we continued our partnership with Feeding America, conducted one of our most successful employee giving campaigns, achieving record employee contributions benefiting thousands of non-profit organizations, and contributed more than 50,000 volunteer hours to local communities.

**Based on the performance for these objectives, the committee provided a combined strategic and business accomplishments rating of 1.5 for 2011, which is above-target performance.**

**The committee evaluated the Company's overall performance rating for 2011 as a "2", which is above-target performance (2.2 financial performance × 70% + 1.5 strategic and business accomplishments × 30% = 2).**

The committee reviews both financial performance and strategic and business accomplishments on an annual basis to ensure alignment with the Company's annual and long-range business plans. Financial performance is evaluated on an operating basis, which excludes: net realized gains or losses; the market impact on variable annuity guaranteed living benefits, net of hedges, DSIC and DAC amortization; integration and restructuring charges; income (loss) from discontinued operations; and the impact of consolidating CIEs. See the reconciliation of certain non-GAAP measures in the appendix to this proxy statement. Financial performance for 2011 also took into consideration impacts related to the annual DAC unlocking and model changes as well as changes in the interest rate environment during the year.

**Review of Financial Results.** The committee relies on the Board's independent Audit Committee to review and confirm the financial results used in the assessment of 2011 performance. The Compensation and Benefits Committee conducted its final review of performance and approved the incentive awards at its meeting on January 31, 2012.

Determine the Size of the Total Incentive Pool

Each year the committee establishes the size of the target incentive pool. This pool funds total incentive awards for the named executive officers, as well as other key executive officers. This target pool is aligned with the aggregate of the median of the competitive market data, and it is established with the assistance of the committee's independent consultant. The total target incentive pool for the named executive officers in 2011 was \$21.2 million.

The committee's assessment of the Company's performance determines the extent to which the total incentive pool is funded below, at, or above target. As described in the previous section, the Company's overall performance rating for 2011 was a 2. As indicated by the following incentive leverage grid approved by the committee, a rating of a "2" equates to total incentive funding of 150% of target. The actual total incentive pool of \$29.8 million is less than 150% of target due to two factors as described throughout this document. The first is that performance shares were awarded at target consistent with the approved plan design (no leverage was applied). The second is that Mr. Salow did not receive an LTIA award from the total incentive pool due to his upcoming retirement this year.

| <b>Performance Rating</b>   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> |
|---|----------|----------|----------|----------|----------|
| Funding level as a percentage of the total incentive pool target amount | 200%     | 150%     | 100%     | 50%      | 0%       |

For the named executive officers who are covered employees under Section 162(m) of the Internal Revenue Code, the maximum amount that can be paid to an individual as an annual cash incentive award is limited to a percentage of the pool. We explain how we seek to maintain the federal income tax deductibility of these awards beginning on page 46. There is no minimum funding level for the total incentive pool. Depending upon the committee's assessment of the Company's performance in the

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context of the year's operating environment, the committee may decide not to fund any components of the total incentive compensation pool for the named executive officers.

### Allocate Individual Awards

Our chief executive officer discusses the performance of and recommends total direct compensation for each other named executive officer. The chief executive officer's performance assessment for each other named executive officer is based on these factors, among others, depending on the officer's job responsibilities: the officer's contribution to the Company's financial performance and strategic and business accomplishments; demonstrated leadership ability; the engagement and talent development of their employees; adherence to ethical, legal, and regulatory standards of conduct; risk management skills; improvements in technology and service delivery; and the safety and soundness of the business or staff function's operating environment. None of these factors was assigned a specific target or weight in determining individual awards. Rather, the committee uses a holistic approach in considering these performance factors.

The committee evaluates the performance of our chief executive officer based largely on the assessment of the Company's performance as described in the section above captioned "Assess Performance Results."

Before the committee approves the chief executive officer's compensation, the committee discusses its recommendations with the other independent directors in an executive session of the Board of Directors meeting held that day. Our chief executive officer is not present for these discussions. This process allows the chairman of the committee to explain the committee's basis for its recommendations to the independent directors. It also allows other directors to make comments and ask questions before the committee members conduct a final vote on the chief executive officer's compensation.

The aggregate amount of the annual cash and long-term incentive awards that the committee approves for the chief executive officer and the other executive officers cannot exceed the amount approved by the committee for the total incentive pool. The committee may exercise its discretion to award less than the amount available for any named executive officer or the named executive officers as a group. The committee also has the discretion to make no such awards.

### Determine the Compensation Mix

The committee generally believes that total compensation for its named executive officers should be targeted, on average, as illustrated in the following charts. Base salary is the smallest component of total direct compensation, representing approximately 8% of total direct compensation for our chief executive officer at target, and averaging 13% of total direct compensation for our named executive officers at target. We set base salary for our executive officers to be competitive in the market and to allow us to attract and retain executive talent. **There were no base salary increases for our named executive officers in 2011.** The majority of target total direct compensation for our named executive officers (nearly 90%) is comprised of annual cash and long-term incentives. We provide an annual cash incentive opportunity to our executive officers to motivate and reward them for the accomplishment of key annual goals. We provide a long-term incentive opportunity to our executive officers to align their long-term interests with those of shareholders, and to help retain valuable executive talent. Total incentive compensation is generally split evenly between annual cash and long-term incentives at target. All incentive awards are funded from the total incentive pool and are based on performance.

Table of Contents**Mix of Total Compensation  
(at target)****Long-Term Incentive Mix Detail  
(at target)**

The actual mix of compensation awarded to our named executive officers will vary from the above charts based on each executive officer's position and Company, business, and individual performance. For example, a year with very strong performance will tend to have a higher mix of incentive compensation. A year with relatively lower performance will have a lower mix of incentive compensation. The performance share award value is established and delivered as a fixed percent of the target total incentive award. As a result, the relative mix of performance share units awarded may vary from year to year. The committee regularly reviews compensation mix trends and may change the targeted mix from year to year. The target total incentive mix for named executive officers has not changed since 2010. The actual compensation mix of the 2011 awards for our named executive officers is provided in the following section.

## Summary of Total Direct Compensation for the Named Executive Officers

**The table below is not required by the rules of the Securities and Exchange Commission.** We are providing it as supplemental information and you should review the Summary Compensation Table on page 52 and the following tables for more information about the compensation of our named executive officers. The purpose of this table is to provide a clear picture of the named executive officers' total direct compensation for the 2011, 2010, and 2009 performance periods. The supplemental chart below also differs from the Summary Compensation Table in that it omits the dollar amounts included in the Summary Compensation Table in the columns captioned "Change in Pension Value and Non-Qualified Deferred Compensation Earnings" and "All Other Compensation." Those dollar amounts are unrelated to a named executive officer's performance and are therefore not included in total direct compensation.

**The SEC's rule for when equity awards are reported in the Summary Compensation Table results in a one-year lag between the time the Compensation and Benefits Committee grants the awards and when they are reported in the Summary Compensation Table. For example, in January 2012 the committee approved equity awards for 2011 performance. As a result, the SEC's rule requires us to report those awards in the Summary Compensation Table contained in our 2013 annual meeting proxy statement. The supplemental table below also differs from the Summary Compensation Table because we show the grant date fair value of equity awards based on the year of performance to which they relate.**

We believe that the supplemental table below more clearly reflects our pay for performance philosophy and the compensation decisions made by the committee for the named executive officers for each performance year shown. The aggregate total incentive pool of \$29.8 million awarded to named executive officers for 2011 performance was above target, but approximately 17% lower than the total incentives awarded for 2010. The pool was allocated as follows: \$16.8 million in annual cash incentives (56% of total); and \$13 million in long-term incentives (44% of total). Long-term incentives included

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approximately: \$6 million in non-qualified stock options; \$4 million in performance share units; and \$3 million in restricted stock awards.

|   |             | <b>Performance</b> | <b>Annual Cash</b>       | <b>Long-Term</b>      | <b>Total Direct</b> |
|---|-------------|--------------------|--------------------------|-----------------------|---------------------|
|   | <b>Year</b> | <b>Salary</b>      | <b>Incentive Awards*</b> | <b>Equity Awards*</b> | <b>Compensation</b> |
| James M. Cracchiolo,<br>Chairman<br>and Chief Executive<br>Officer                | 2011        | \$ 950,000         | \$ 8,025,000             | \$ 6,942,000          | \$ 15,917,000       |
|   | 2010        | \$ 950,000         | \$ 9,428,000             | \$ 7,647,000          | \$ 18,025,000       |
|   | 2009        | \$ 850,000         | \$ 5,700,000             | \$ 5,700,000          | \$ 12,250,000       |
| Walter S. Berman,<br>Executive Vice<br>President and Chief<br>Financial Officer   | 2011        | \$ 650,000         | \$ 2,598,000             | \$ 2,252,000          | \$ 5,500,000        |
|   | 2010        | \$ 650,000         | \$ 2,953,000             | \$ 2,397,000          | \$ 6,000,000        |
|   | 2009        | \$ 450,000         | \$ 2,100,000             | \$ 1,650,000          | \$ 4,200,000        |
| William F. Truscott, CEO,<br>U.S. Asset Management<br>and President, Annuities    | 2011        | \$ 650,000         | \$ 2,732,000             | \$ 2,368,000          | \$ 5,750,000        |
|   | 2010        | \$ 650,000         | \$ 3,368,000             | \$ 2,732,000          | \$ 6,750,000        |
|   | 2009        | \$ 450,000         | \$ 2,400,000             | \$ 1,950,000          | \$ 4,800,000        |
| Glen Salow, Executive<br>Vice President<br>of Service Delivery and<br>Technology* | 2011        | \$ 575,000         | \$ 1,701,000             | \$ 0                  | \$ 2,276,000        |
|   | 2010        | \$ 575,000         | \$ 2,029,000             | \$ 1,646,000          | \$ 4,250,000        |
|   | 2009        | \$ 475,000         | \$ 1,500,000             | \$ 1,275,000          | \$ 3,250,000        |
| Donald E. Froude,<br>President<br>The Personal Advisors<br>Group                  | 2011        | \$ 550,000         | \$ 1,715,000             | \$ 1,485,000          | \$ 3,750,000        |
|   | 2010        | \$ 550,000         | \$ 2,016,000             | \$ 1,634,000          |                     |