

AMERICAN EXPRESS CO  
Form DEF 14A  
March 20, 2017

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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:

<input type="checkbox"/>	Preliminary Proxy Statement
<input type="checkbox"/>	Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
<input type="checkbox"/>	Definitive Proxy Statement
<input type="checkbox"/>	Definitive Additional Materials
<input type="checkbox"/>	Soliciting Material Under Rule 14a-12

**AMERICAN EXPRESS COMPANY**

(Name of Registrant as Specified In Its Charter)  
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

<input type="checkbox"/>	No fee required.
<input type="checkbox"/>	Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
	1) Title of each class of securities to which transaction applies:
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**AMERICAN EXPRESS COMPANY**

PROXY STATEMENT

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**American Express Company**  
200 Vesey Street  
New York, New York 10285

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**WHEN**

Monday, May 1, 2017  
9:00 a.m. Eastern Time

**WHERE**

American Express Company  
200 Vesey Street, 26th Floor  
New York, New York 10285

**RECORD DATE**

March 3, 2017

**ITEMS OF BUSINESS**

**To vote on the following proposals:**

1. Election of directors proposed by our Board of Directors for a term of one year, as set forth in this proxy statement
2. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017
3. Advisory resolution to approve executive compensation
4. Advisory resolution to approve the frequency of future advisory votes on executive compensation
5. Two shareholder proposals if properly presented at the meeting
6. Such other business that may properly come before the meeting

Carol V. Schwartz  
Secretary  
March 20, 2017

Important notice regarding the availability of proxy materials for the 2017 annual meeting to be held on May 1, 2017

Our proxy statement and annual report are available online at <http://ir.americanexpress.com>.<sup>\*</sup> We will mail to certain shareholders a notice of internet availability of proxy materials, which contains instructions on how to access these materials and vote online. We expect to mail this notice and to begin mailing our proxy materials on or about March 21, 2017.

<sup>\*</sup>Web links throughout this document are provided for convenience only. Information from the American Express website is not incorporated by reference into this proxy statement.

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We present below a summary of certain information in this proxy statement. Please review the complete proxy statement and annual report before you vote.

**ELECTION OF DIRECTORS FOR A TERM OF ONE YEAR**

**The Board recommends a vote FOR each of these director nominees**

You are being asked to elect 14 directors. Each of our current directors is standing for election to hold office until the next annual meeting of shareholders or until his or her successor is duly elected and qualified. Detailed information about each nominee's background, skills and expertise can be found starting on page 14.

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Other Public Boards</b>
<b>Charlene Barshefsky</b> <i>Senior International Partner, WilmerHale</i>	66	2001	The Estée Lauder Companies Inc. Intel Corporation
<b>John J. Brennan</b> <i>Chairman Emeritus and Senior Advisor, The Vanguard Group</i>	62	2017	General Electric Company LPL Financial Holdings, Inc.
<b>Ursula M. Burns</b> <i>Chairman, Xerox Corporation</i>	58	2004	Exxon Mobil Corporation Xerox Corporation
<b>Kenneth I. Chenault</b> <i>Chairman and CEO, American Express Company</i>	65	1997	International Business Machines Corporation (IBM) The Procter & Gamble Company
<b>Peter Chernin</b> <i>Founder and CEO, Chernin Entertainment, LLC</i>	65	2006	
<b>Ralph de la Vega</b> <i>Former Vice Chairman, AT&amp;T Inc.</i>	65	2016	
<b>Anne L. Lauvergeon</b> <i>Chairman and Chief Executive Officer, A.L.P. SAS</i>	57	2013	Rio Tinto Plc Suez
<b>Michael O. Leavitt</b> <i>Founder and Chairman, Leavitt Partners, LLC</i>	66	2015	Koç Holding HealthEquity, Inc. Medtronic, Inc.
<b>Theodore J. Leonsis</b> <i>Chairman and CEO, Monumental Sports &amp; Entertainment, LLC</i>	61	2010	Groupon, Inc.
<b>Richard C. Levin</b> <i>Chief Executive Officer, Coursera</i>	69	2007	
<b>Samuel J. Palmisano</b> <i>Former Chairman, President and CEO, IBM</i>	65	2013	Exxon Mobil Corporation
<b>Daniel L. Vasella</b> <i>Honorary Chairman and Former Chairman and CEO, Novartis AG</i>	63	2012	PepsiCo, Inc. XBiotech
<b>Robert D. Walter,</b> <i>Lead Independent Director Founder and Former Chairman and CEO, Cardinal Health, Inc.</i>	71	2002	Nordstrom, Inc. YUM! Brands, Inc.
<b>Ronald A. Williams</b> <i>Former Chairman and CEO, Aetna, Inc.</i>	67	2007	The Boeing Company Johnson & Johnson Envision Healthcare



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### PROXY SUMMARY AND VOTING ROADMAP

Election of Directors for a Term of One Year

## **Director Attendance**

During 2016, our Board met 8 times and our committees in the aggregate met 38 times. All directors attended 75 percent or more of the meetings of the Board and Board committees on which they served in 2016.

Twelve of our thirteen directors in 2016 attended the 2016 annual meeting. Our Board encourages all of its directors to attend the annual meeting but understands there may be circumstances that prevent such attendance.

## **Board Highlights**

### **Average Tenure**

**7.5**

years

### **Average Age**

**64.2**

years

## **Corporate Governance Highlights**

Strong lead independent director

Diverse board

Regular board and committee refreshment and a mix of tenures

Non-management executive sessions led by lead independent director at each regular board meeting

Board agenda includes multi-day strategy sessions

Key management and rising talent reviewed at an annual talent review board meeting

Risk aware culture overseen by a separate Risk Committee of the Board

Annual election of all directors

Majority voting for directors

Proxy access

25 percent of shareholders can call special meetings

Active shareholder engagement



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Significant share ownership requirements for senior executives and directors

Annual board and committee performance evaluations

Ongoing board succession planning

Director access to experts and advisors, both internal and external

13 out of 14 directors are independent

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PROXY SUMMARY AND VOTING ROADMAP  
Ratification of Appointment of PricewaterhouseCoopers LLP for 2017

**RATIFICATION OF APPOINTMENT OF  
PRICEWATERHOUSECOOPERS LLP FOR 2017**

**The Board recommends a vote FOR this item**

The Audit and Compliance Committee reappointed PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm for 2017. We are asking you to ratify this appointment. PwC has been our independent auditor since 2005. Additional information about the Committee's appointment of PwC and PwC fees for 2016 and 2015 is found beginning on pages 40-41.

One or more representatives of PwC will be present at the meeting and available to respond to appropriate questions.

**ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION (SAY ON PAY)**

**The Board recommends a vote FOR this item**

We are asking you to approve on an advisory basis the compensation of American Express's named executive officers. We believe that the compensation of our executive officers is aligned with performance, correlates with our share price, appropriately motivates and retains our executives and delivers pay which is strongly linked to company performance over time.

**2016 Performance**

We entered 2016 with significant challenges, and we began to reposition the business for success going forward. We laid out three key priorities for 2016 and 2017:

Accelerating revenue growth

Optimizing investments

Resetting our cost base

We made significant progress in each of these areas in 2016. Despite persistent macro-economic issues and the evolving competitive and regulatory environment, we reached our 2016 goals through:

Healthy loan growth

Strong card acquisitions

Excellent credit performance

Disciplined operating expense control

Strong capital position

As a result, we were able to raise our earnings expectations over the course of the year while making a record level of business-building investments. For 2016 as a whole:

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Net income was \$5.4 billion, **up 5%** (including the gain from the sale of our Costco portfolio)

Diluted earnings per share (EPS) was \$5.65, and our adjusted diluted EPS (excluding restructuring charges) was \$5.93<sup>1</sup>, exceeding the earnings guidance range provided at the beginning of the year

Return on Equity (ROE) was **26%**

<sup>1</sup> Adjusted diluted EPS, a non-GAAP measure, excludes \$410 million in pre-tax restructuring charges (\$266 million after-tax) for the year ended December 31, 2016. Management believes adjusted diluted EPS is useful in evaluating the ongoing operating performance of the Company and the Company's performance against its 2016 EPS outlook originally provided in the Company's Q4 '15 earnings release on January 21, 2016, at which point restructuring charges and other contingencies were not estimable and thus not included. See Appendix A for reconciliation to diluted EPS on a GAAP basis.

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### **PROXY SUMMARY AND VOTING ROADMAP**

Advisory Resolution to Approve Executive Compensation (Say on Pay)

We are pleased to have ended the year positively while continuing to strengthen our business. Our compensation to the CEO and the other Named Executive Officers (NEOs) reflects their strong leadership in navigating the Company through this important transition year and repositioning it for success. Further information on our 2016 performance can be found beginning on page 44.

### **Awarded Total Direct Compensation for our CEO for 2016 Performance**

At the beginning of 2016, the Compensation and Benefits Committee set financial and strategic goals for our CEO and executive team, the attainment of which would be signposts of the Company's successful repositioning. In January 2017, the Committee evaluated Mr. Chenault's performance, noted his success against these goals, and awarded him target pay: total direct compensation (TDC)<sup>2</sup> of \$22,000,000 for performance year 2016. Because the Company's repositioning is not yet complete, however, the Committee determined that Mr. Chenault would receive all of his compensation, except for base salary, in the form of deferred compensation linked to multi-year performance goals.

With most of Mr. Chenault's compensation subject to multi-year performance goals, his realizable pay is tied closely to the success of our efforts and the long-term success of the Company. Our pay for performance linkage is illustrated on page 50, which shows that Mr. Chenault's realizable compensation as of the end of 2016 was 8 percent lower than his awarded TDC for the previous three performance years.

### **CEO Awarded TDC Mix**

Details regarding Mr. Chenault's TDC can be found on page 49.

Our *Compensation Discussion and Analysis* is on pages 43-62 and our *Summary Compensation Table* and other related tables and narrative discussion are on pages 63-75.

<sup>2</sup>Awarded TDC includes salary, the annual incentive award (AIA) earned for the prior year and long-term incentives granted that are tied to future performance.

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PROXY SUMMARY AND VOTING ROADMAP

Advisory Resolution to Approve the Frequency of Future Advisory Say on Pay Votes (Say on Frequency)

**ADVISORY RESOLUTION TO APPROVE THE  
FREQUENCY OF FUTURE ADVISORY SAY ON PAY  
VOTES (SAY ON FREQUENCY)**

**The Board recommends continuing our current practice of holding an ANNUAL advisory vote on executive compensation**

We are asking you to approve continuing to hold an annual advisory vote on executive compensation. In making this recommendation the Board considered shareholder feedback and that an annual say on pay vote enables our shareholders to provide us with timely input on executive compensation matters.

**TWO SHAREHOLDER PROPOSALS  
(IF PROPERLY PRESENTED)**

**The Board recommends a vote AGAINST each item**

You will have the opportunity to vote on two shareholder proposals, if properly presented at the meeting. The text of these proposals, the proponents' statements in support and our responses are set forth beginning on page 77.

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### **CORPORATE GOVERNANCE AT AMERICAN EXPRESS**

#### **ELECTION OF DIRECTORS FOR A TERM OF ONE YEAR**

Our Board of Directors currently has 14 members. Each director is standing for election to hold office until the next annual meeting of shareholders or until his or her successor is duly elected and qualified. Our Board has appointed Jeffrey Campbell, Laureen Seeger, Carol Schwartz and Tangela Richter as proxies to vote your shares on your behalf. The proxies intend to vote for the election of each of the 14 candidates nominated by the Board unless you indicate otherwise on your proxy or voting instruction form or when you vote by telephone or online. Each candidate has consented to being named in this proxy statement and serving as a director if elected. However, if any nominee is not able to serve, the Board can either nominate a different person or reduce the size of the Board of Directors. If the Board nominates another individual, the persons named as proxies may vote for that nominee.

**ITEM 1 RECOMMENDATION: Our Board of Directors recommends a vote FOR the election of the nominees listed on pages 14-21.**

#### Board Composition

#### **Ongoing Board Succession Planning**

We seek to maintain a board that as a whole possesses the objectivity and the mix of diverse backgrounds, skills and experiences to provide effective oversight and guidance to management in the context of an evolving business environment and our long-term strategy. Ongoing board succession planning assures that the Board maintains an appropriate mix of skills and provides fresh perspectives while leveraging the institutional knowledge and historical perspective of our longer-tenured directors.

The Nominating and Governance Committee assesses potential candidates based on their history of achievement, the breadth of their business experiences, whether they also bring specific skills or expertise in areas that the Committee has identified and whether they possess personal attributes that will contribute to the effective functioning of the Board. The Committee also considers succession planning for board positions such as lead independent director and committee chair.

#### **Attributes of Individual Nominees:**

We look for individuals who have established records of significant accomplishment in leading global businesses and large, complex organizations.

Nominees should have achieved prominence in their fields and possess skills or significant experience in areas of importance to us.

The minimum personal attributes that must be met by a nominee include integrity, independence, energy, forthrightness, strong analytical skills and the commitment to devote the necessary time and attention to the Company's affairs.

Candidates should demonstrate they have the ability to challenge and stimulate management and exercise sound judgment.

Candidates must demonstrate a willingness to work as part of a team in an atmosphere of trust and candor and a commitment to represent the interests of all shareholders rather than those of a specific constituency.

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**Identifying and Adding New Directors**

The Nominating and Governance Committee identifies and adds new directors using the following process:

- 1 **Collect Candidate Pool**  

Independent Directors	Independent Search Firms	Shareholders
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- 2 **Review Recommendations**  
 Candidates meet with members of the Nominating and Governance Committee and with the Chairman. Committee members and the Chairman assess candidates on the basis of their skills and experience, their personal attributes and how they will add to the mix of competencies and diversity on the Board. Due diligence is conducted, and the Committee members and the Chairman solicit feedback on potential candidates from other directors and from persons outside the Company.
- 3 **Make Recommendation to the Board**  
 Qualified candidates are presented to the Board of Directors.
- 4 **Outcome**  
 Six new directors added since 2012:
 

Ethnic & gender diversity	Non-U.S. directors	Former CEOs Former CFO	Digital, mobile, consumer, financial, investment, regulatory and M&A experience	Senior government experience	Global business leaders
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The Committee uses a professional search firm to help identify, evaluate and conduct due diligence on potential director candidates. Mr. Brennan, who joined the Board in January 2017, was identified as a potential candidate by the search firm. Using a search firm allows the Committee to make sure it is conducting a broad search and looking at a diverse pool of potential candidates. The Committee also seeks to maintain an ongoing list of potential candidates.

The Committee considers all shareholder recommendations for director candidates and applies the same standards in considering candidates submitted by shareholders as it does in evaluating other candidates. Shareholders can recommend candidates by writing to the Committee in care of the Company’s Secretary, whose contact information is on page 30. Shareholders who wish to submit nominees for election at an annual or special meeting of shareholders should follow the procedure described on page 85.

Our governance principles provide that while the Board need not adhere to a fixed number of directors, generally a board composed of 12-14 directors offers a sufficiently large and diverse group to address the important issues facing the Company while being small enough to encourage personal involvement and discussion. All directors are elected annually under a majority voting standard.

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**CORPORATE GOVERNANCE AT AMERICAN EXPRESS**

Item 1 Election of Directors for a Term of One Year

**Board Diversity**

While we do not have a specific policy on board diversity, our governance principles provide that the Board should be diverse, engaged and independent. The Nominating and Governance Committee considers the diversity of the Board, including the dimensions of race, ethnicity and gender. We believe the composition of our Board appropriately reflects a diversity of skills, professional and personal backgrounds and experiences.

Our Board has the following characteristics:

3 of 14 female

4 of 14 minorities

2 of 14 reside outside of U.S.

**Board Tenure**

We have added 6 new directors since 2012. The average tenure of our non-management directors is 7.5 years. New directors add fresh perspectives and longer-serving directors provide continuity and institutional knowledge. We have a mandatory retirement age of 72 which provides for continued board refreshment in addition to turnover that occurs when directors leave board service prior to the mandatory retirement age.

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CORPORATE GOVERNANCE AT AMERICAN EXPRESS  
 Item 1 Election of Directors for a Term of One Year

**Board Expertise and Skills**

**Experienced leaders with the right skills and business experience to provide sound judgment, critical viewpoints and guidance in an evolving environment**

Core Business and Operating Expertise	Senior Management and Leadership Skills	Digital, Mobile and Technology Experience	Government, Legal and Public Policy Experience	Financial Literacy
Global Business Experience	Financial, Investment and M&A Experience	Public Company Governance Experience	Audit and Risk Oversight Experience	Brand and Marketing Expertise

**Non-management Directors**

American Express is a global services company that provides customers with access to products, insights and experiences that enrich lives and build business success. We provide innovative payment solutions for individuals and businesses of all sizes around the world. We have a highly valued brand, we are regulated in many jurisdictions, and we operate in a rapidly evolving, technology-dependent and highly competitive environment.

Our director nominees have held senior positions as leaders of various large, complex businesses and organizations and in government, demonstrating their ability to develop and execute significant and complex policy and operational objectives at the highest levels. Many of our nominees have been chief executives or chief operating officers of large, global businesses through which they have developed expertise in core business strategy and development, operations, finance, talent management and leadership development, compliance, controls and risk management as well as skills to respond to rapidly evolving business environments and foster innovation and business transformation.

In addition, our nominees' experience serving on other boards brings valuable knowledge and expertise in the areas of governance, talent management and compensation, financial reporting, risk management and control and compliance. Detailed information about each nominee follows.

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CORPORATE GOVERNANCE AT AMERICAN EXPRESS  
Our Director Nominees

**Our Director Nominees**

**Individual Qualifications, Skills and Experiences**

The following individuals have been recommended for election by the Nominating and Governance Committee and approved by the Board of Directors, considering, among other factors:

The individual contributions of the director to the Board’s effectiveness

The continued relevance of each of their skills, qualifications and experiences

The mix of skills and backgrounds, and the tenure and diversity of the Board

The Board’s effectiveness as a whole in exercising independence of thought and challenging and providing guidance to management

<b>CHARLENE BARSHEFSKY</b>		<b>Director since 2001</b>	<b>Age 66</b>
	<i>Senior International Partner, WilmerHale</i>		
<b>Other Public Directorships</b>	The Estée Lauder Companies Inc. Intel Corporation	<b>Specific qualifications, experience, skills and expertise:</b>  High-level government service Expertise negotiating with foreign governments Advisor to firms on doing business in emerging markets Broad legal and public policy experience Public company governance	
<b>Other Directorships in past five years</b>	Starwood Hotels & Resorts Worldwide, Inc.		
<b>American Express Committees</b>	Innovation and Technology Public Responsibility, Chair		

Since 2001, Ambassador Barshefsky has been a Senior International Partner of WilmerHale, a multinational law firm based in Washington, D.C. She advises U.S. and international companies on international business transactions, government relations, market access, and foreign government regulation of business and investment. Prior to joining WilmerHale, Ambassador Barshefsky was the United States Trade Representative (USTR) and a member of President Clinton’s Cabinet from 1997 to 2001, and Acting and Deputy USTR from 1993 to 1996. As the USTR, she served as chief trade negotiator and principal trade policymaker for the United States and, in both roles, negotiated complex market access and regulatory and investment agreements with virtually every major country in the world. Ambassador Barshefsky is a trustee of the Howard Hughes Medical Institute and a member of the Council on Foreign Relations.

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Our Director Nominees

<b>JOHN J. BRENNAN</b> <i>Chairman Emeritus and Senior Advisor, The Vanguard Group</i>	<b>Director since 2017</b>	<b>Age 62</b>
<b>Other Public Directorships</b>	General Electric Company LPL Financial Holdings, Inc.	<b>Specific qualifications, experience, skills and expertise:</b>  Core business, operations and management CFO and financial accounting expertise Finance and investment expertise Financial industry regulation Institutional investor perspective Public company governance
<b>Other Directorships in past five years</b>	Guardian Life Insurance of America Hanover Insurance Group Inc.	
<b>American Express Committees</b>	Audit and Compliance Risk	

Mr. Brennan has been chairman emeritus and senior advisor of The Vanguard Group, Inc., a global investment management company, since 2010. Mr. Brennan joined Vanguard in July 1982, was elected Chief Financial Officer in 1985, and President in 1989. He was Chief Executive Officer from 1996 to 2008 and Chairman of the Board from 1998 to 2009. Mr. Brennan is Chairman of the Board of Governors of The Financial Industry Regulatory Authority (FINRA), a U.S. financial services industry regulator; Chairman of the Board of Trustees of the University of Notre Dame; Chairman of the Vanguard Charitable Endowment Program; and Founding Trustee of the King Abdullah University of Science and Technology. Mr. Brennan is a former Chairman of the Financial Accounting Foundation, an overseer of financial accounting and reporting standard-setting boards.

<b>URSULA M. BURNS</b> <i>Chairman and Former Chief Executive Officer, Xerox Corporation</i>	<b>Director since 2004</b>	<b>Age 58</b>
<b>Other Public Directorships</b>	Exxon Mobil Corporation Xerox Corporation	<b>Specific qualifications, experience, skills and expertise:</b>  Core business, operations and management Global business leader Experience driving innovation through technology Public company governance Audit oversight experience
<b>Other Directorships in past five years</b>		
<b>American Express Committees</b>	Compensation and Benefits Risk	

Ms. Burns has been Chairman of Xerox Corporation, a global document technology company, since May 2010. She was Chief Executive Officer from July 2009 to December 2016; President and director from April 2007 to July 2009; and Senior Vice President and President, Business Group Operations from January 2003 to April 2007. Ms. Burns is a trustee of the Ford Foundation and of the Massachusetts Institute of Technology and provides leadership as a director to community, educational and nonprofit organizations including FIRST (For Inspiration and Recognition of Science and Technology) and Change the Equation. From March 2010 through December 2016, Ms. Burns served as Vice Chair of President Obama's Export Council.



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**CORPORATE GOVERNANCE AT AMERICAN EXPRESS**

Our Director Nominees

<b>KENNETH I. CHENAULT</b>		<b>Director since 1997</b>	<b>Age 65</b>
<i>Chairman and Chief Executive Officer, American Express Company</i>			
<b>Other Public Directorships</b>	IBM The Procter & Gamble Company	<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>		Unique perspective as company CEO Core business, operations and management Payments and network industry expertise Expertise in digital and mobile innovation	
<b>American Express Committees</b>	N/A	Brand and marketing expertise Public company governance	

Mr. Chenault has been Chairman and Chief Executive Officer of American Express Company since April 2001. Mr. Chenault joined American Express in 1981 and was named President of the U.S. division of American Express Travel Related Services Company, Inc. in 1993; Vice Chairman of American Express Company in 1995; President and Chief Operating Officer in 1997; and Chief Executive Officer in January 2001. Mr. Chenault is Chairman of the National Museum of African American History and Culture, a member of The World Trade Center Memorial Foundation and a trustee of the NYU Langone Medical Center.

<b>PETER CHERNIN</b>		<b>Director since 2006</b>	<b>Age 65</b>
<i>Founder and CEO, Chernin Entertainment</i>			
<b>Other Public Directorships</b>		<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>	Pandora Media, Inc. Twitter, Inc.	Core business, operations and management Experience building global media businesses Digital business development	
<b>American Express Committees</b>	Compensation and Benefits Nominating and Governance, Chair	Brand and marketing expertise Public company governance	

From June 2009 to the present, Mr. Chernin has served as Founder and CEO of Chernin Entertainment, LLC, a film and television production company, and The Chernin Group, LLC, which is involved in strategic opportunities in media, technology and entertainment. He is also co-founder of CA Media, L.P., which builds and manages media, technology and entertainment businesses throughout the Asia Pacific region. Mr. Chernin was President, Chief Operating Officer and a director of News Corporation from October 1996 to June 2009, and was Chairman and Chief Executive Officer of the Fox Group, where he oversaw the global operations of the company's film, television, satellite cable and digital media businesses. At News Corporation, Mr. Chernin led the company's expansion into the broadband and mobile markets through the creation of Fox Interactive Media, Hulu, Jamba and other digital properties. Mr. Chernin is a Chairman and Co-Founder of Malaria No More and a director of the Harvard AIDS Initiative.

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Our Director Nominees

<b>RALPH DE LA VEGA</b>		<b>Director since 2016</b>	<b>Age 65</b>
<i>Former Vice Chairman of AT&amp;T Inc.</i>			
<b>Other Public Directorships</b>		<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>	New York Life Insurance Company	Core business, operations and management Global business leader Deep experience in Latin America	
<b>American Express Committees</b>	Audit and Compliance Innovation and Technology	Digital and mobile technology expertise Governance and audit oversight	

Mr. de la Vega was Vice Chairman of AT&T Inc. and CEO of Business Solutions and International, AT&T from February 2016 through December 2016. In this role, Mr. de la Vega led AT&T's Integrated Business Solutions group (both mobile and IP services), which served more than 3.5 million business customers in 200 countries and territories, and nearly all of the Fortune 1000 firms globally, and AT&T's Mexican wireless business and DIRECTV Latin America, which was part of AT&T's 2015 acquisition of DIRECTV. Mr. de la Vega was President and Chief Executive Officer, AT&T Mobile and Business Solutions, from August 2014 to February 2016; President and Chief Executive Officer of AT&T Mobility from 2007 to 2014; and prior thereto, the Chief Operating Officer of Cingular Wireless and President of BellSouth Latin America. Mr. de la Vega is a director of New York Life Insurance Company, where he is chair of the Audit Committee and a member of the Governance and Insurance & Operations Committees. He also serves on the boards of Junior Achievement Worldwide and the Boy Scouts of America.

<b>ANNE L. LAUVERGEON</b>		<b>Director since 2013</b>	<b>Age 57</b>
<i>Chairman and Chief Executive Officer, A.L.P. SAS</i>			
<b>Other Public Directorships</b>	Rio Tinto plc Suez Koç Holding	<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>	Total S.A. Vodafone Group Plc. GDF Suez S.A. Airbus Group	Core business, operations and management Deep business experience in Europe Government experience Public policy experience in sustainability Public company governance	
<b>American Express Committees</b>	Audit and Compliance Public Responsibility		

Ms. Lauvergeon is Chairman and Chief Executive Officer of A.L.P. SAS, a private French advisory company and, since 2014, has been Chairman of Sigfox, a French start-up that operates a cellular network dedicated exclusively to small messages. She is a former Partner and Managing Director of Efficiency Capital, an advisory firm dedicated to funding technology and natural resources investments, where she served from 2012 to April 2014; former Chief Executive Officer of AREVA Group, the leading French energy company, where she served from July 2001 to June 2011; and former Chairman and Chief Executive Officer of AREVA NC (formerly Cogema) where she served from June 1999 to June 2011. Ms. Lauvergeon started her professional career in 1983 in the steel industry and in 1990 she was named Advisor for Economic International Affairs at the French Presidency and Deputy Chief of Staff in 1991. In 1995 she became a Partner of Lazard Frères & Cie, subsequently joining Alcatel Telecom as Senior Executive

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Vice President in 1997. Ms. Lauvergeon has been a member of the United Nations Global Compact Board, an executive committee member of the World Business Council for Sustainable Development, and involved in various not for profit organizations in France. She is also Chair of the Commission Innovation 2030, launched by the President of France in 2013 to stimulate innovation in France.

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## CORPORATE GOVERNANCE AT AMERICAN EXPRESS

## Our Director Nominees

<b>MICHAEL O. LEAVITT</b>		<b>Director since 2015</b>	<b>Age 66</b>
<i>Founder and Chairman, Leavitt Partners</i>			
<b>Other Public Directorships</b>	HealthEquity, Inc. Medtronic, Inc.	<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>		Senior executive and administrative experience Deep government experience Public policy experience Regulatory experience Public company governance	
<b>American Express Committees</b>	Audit and Compliance Innovation and Technology		

Since 2009, Governor Leavitt has been Founder and Chairman of Leavitt Partners, LLC, a health care consulting firm, and since 2014, he has been Chairman of Leavitt Equity Partners, a private equity fund. Prior to that, Governor Leavitt was the United States Secretary of Health and Human Services from 2005 to 2009; Administrator of the Environmental Protection Agency from 2003 to 2005; and Governor of Utah from 1993 to 2003. Governor Leavitt has extensive board management and leadership experience, including serving as the Governor of Utah, a large state with a diverse body of constituents, appointments to positions with the U.S. government, where he oversaw and advised on issues of national concern, and overseeing Leavitt Partners' work advising clients and making investments in the health care sector. Governor Leavitt has decades of leadership experience with valuable knowledge of the governmental and regulatory environment.

<b>THEODORE J. LEONISIS</b>		<b>Director since 2010</b>	<b>Age 61</b>
<i>Chairman and Chief Executive Officer, Monumental Sports &amp; Entertainment</i>			
<b>Other Public Directorships</b>	Groupon, Inc.	<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>	Nutrisystem Alcatel-Lucent	Core business, operations and management Successful innovator and entrepreneur Expertise in social media and digital trends Brand and marketing expertise Public company governance	
<b>American Express Committees</b>	Innovation and Technology, Chair Public Responsibility		

Since 2009, Mr. Leonis has been Chairman and Chief Executive Officer of Monumental Sports & Entertainment, LLC, a sports, entertainment, media and technology company that owns the NBA's Washington Wizards, NHL's Washington Capitals, the WNBA's Washington Mystics, the Verizon Center in Washington, D.C., Monumental Sports Network and two Arena Football League teams. Mr. Leonis has also been Vice Chairman Emeritus of AOL LLC, a leading global ad-supported Web company, since December 2006. Mr. Leonis held a number of executive positions with AOL from September 1994 to December 2006, most recently as Vice Chairman and President, AOL Audience Business. He is also a filmmaker, an author and a director of several private internet and technology companies and educational institutions. Mr. Leonis was Chairman of Revolution Money, Inc., which American Express acquired in January 2010. In November 2011, Mr. Leonis co-founded Revolution Growth II, LP, a speedup capital fund to invest in technology-enabled businesses. In 2015, Mr. Leonis co-founded Revolution Growth III, LP, a similar fund to invest in and build innovative, high-growth businesses.





CORPORATE GOVERNANCE AT AMERICAN EXPRESS  
Our Director Nominees**Table of Contents**

<b>RICHARD C. LEVIN</b>		<b>Director since 2007</b>	<b>Age 69</b>
<i>Chief Executive Officer, Coursera</i>			
<b>Other Public Directorships</b>		<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>	C-3 Energy	Thought leader in American higher education Distinguished economist Expertise in statistical analysis and modeling	
<b>American Express Committees</b>	Public Responsibility Risk	Leader in U.S.-China cooperation at Yale CEO of online education company	

Mr. Levin has been Chief Executive Officer of Coursera, an educational platform that partners with top universities and organizations worldwide to offer courses online, since April 2014. Mr. Levin is also President Emeritus of Yale University, a private, independent university. He was President of Yale from July 1993 to August 2013; a Frederick William Beinecke Professor of Economics; and a former Chair of Yale's Economics Department and Dean of Yale's Graduate School of Arts and Science. Mr. Levin also is a trustee of the William and Flora Hewlett Foundation, one of the largest philanthropic organizations in the United States concerned with solving social and environmental problems. He is a fellow of the American Academy of Arts and Sciences and the American Philosophical Society. Mr. Levin has served on a number of Presidential Commissions and was appointed by President Obama to serve on the President's Council of Advisors for Science and Technology.

<b>SAMUEL J. PALMISANO</b>		<b>Director since 2013</b>	<b>Age 65</b>
<i>Former Chairman, President and Chief Executive Officer, IBM</i>			
<b>Other Public Directorships</b>	Exxon Mobil Corporation	<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>	IBM	Core business, operations and management Business thought leader Cybersecurity experience Global business leader	
<b>American Express Committees</b>	Compensation and Benefits Nominating and Governance	Financial, investment and M&A expertise Public company governance	

Mr. Palmisano is former Chairman, President and Chief Executive Officer of IBM, a company that provides business and information technology products and services. Mr. Palmisano joined IBM in 1973. He was elected Senior Vice President and Group Executive of the Personal Systems Group in 1997, Senior Vice President and Group Executive of IBM Global Services in 1998, Senior Vice President and Group Executive of Enterprise Systems in 1999, President and Chief Operating Officer in 2000, Chief Executive Officer in 2002 and Chairman of the Board in 2003. Mr. Palmisano was President and Chief Executive Officer through 2011, Chairman through September 2012 and senior adviser to IBM through December 2012. Mr. Palmisano is Chairman of the Center for Global Enterprises, a private, nonprofit research institution devoted to the study of contemporary corporations, globalization, economic trends and their impact on society. Mr. Palmisano was appointed by President Obama as Vice Chair of the Commission on Enhancing National Cybersecurity, a bipartisan government-industry panel that was charged with providing detailed recommendations to strengthen public and private sector cybersecurity defenses. Mr. Palmisano was also co-chair of an independent task force of the Council on Foreign Relations on cybersecurity.



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## CORPORATE GOVERNANCE AT AMERICAN EXPRESS

## Our Director Nominees

<b>DANIEL L. VASELLA</b>		<b>Director since 2012</b>	<b>Age 63</b>
<i>Honorary Chairman and Former Chairman and Chief Executive Officer, Novartis AG</i>			
<b>Other Public Directorships</b>	PepsiCo, Inc. XBiotech	<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>	Novartis AG	Core business, operations and management Finance, investment and M&A experience Global business leader	
<b>American Express Committees</b>	Audit and Compliance, Chair Nominating and Governance Risk	Led a highly regulated business Brand and marketing expertise Public company governance	

Dr. Vasella is Honorary Chairman and Former Chairman and Chief Executive Officer of Novartis AG, a company that engages in the research, development, manufacture and marketing of health care products worldwide. Dr. Vasella served as Chairman of Novartis from 1999 to February 2013 and as Chief Executive Officer from 1996 to January 2010. From 1992 to 1996, Dr. Vasella held the positions of Chief Executive Officer, Chief Operating Officer, Senior Vice President and Head of Worldwide Development and Head of Corporate Marketing at Sandoz Pharma Ltd. Dr. Vasella is currently working as a coach to senior executives. He is a member of the International Business Leaders Advisory Council for the Mayor of Shanghai, a foreign honorary member of the Academy of Arts and Sciences, a trustee of the Carnegie Endowment for International Peace and a member of several educational institutions.

<b>ROBERT D. WALTER</b>		<b>Director since 2002</b>	<b>Age 71</b>
<i>Founder and Former Chairman and Chief Executive Officer, Cardinal Health</i>			
<b>Other Public Directorships</b>	Nordstrom, Inc. YUM! Brands, Inc. (Non-executive chairman)	<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>		Core business, operations and management Founder of a global Fortune 100 company Financial, investment and M&A expertise Successful entrepreneur	
<b>American Express Committees</b>	Compensation and Benefits, Chair Nominating and Governance	Public company governance	

Mr. Walter is founder and former Chairman and Chief Executive Officer of Cardinal Health, Inc., a company that provides products and services supporting the health care industry. Mr. Walter retired from Cardinal Health in June 2008. Prior to his retirement, he served as Executive Director from November 2007 to June 2008; Executive Chairman of the Board from April 2006 to November 2007; and Chairman and Chief Executive Officer from 1979 to April 2006. As a founder of a global Fortune 100 company, Mr. Walter has deep expertise in finance, business development and business integrations.



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Our Board's Independence

<b>RONALD A. WILLIAMS</b>		<b>Director since 2007</b>	<b>Age 67</b>
<i>Former Chairman and Chief Executive Officer, Aetna</i>			
<b>Other Public Directorships</b>	The Boeing Company Johnson & Johnson Envision Healthcare	<b>Specific qualifications, experience, skills and expertise:</b>	
<b>Other Directorships in past five years</b>		Core business, operations and management Finance, risk management and investment expertise Led a highly regulated business Experience innovating through information technology	
<b>American Express Committees</b>	Compensation and Benefits Nominating and Governance Risk, Chair	Digital, mobile and technology experience Public company governance	

Mr. Williams is former Chairman and Chief Executive Officer of Aetna Inc., a leading diversified health care benefits company. He was Chairman from October 2006 to April 2011; Chief Executive Officer from February 2006 to November 2010; and President from May 2002 to July 2007. He serves as an operating advisor to Clayton, Dubilier & Rice, LLC. He is a trustee of the Massachusetts Institute of Technology where he is also a member of the Dean's Advisory Council and Alfred P. Sloan Management Society. He is a trustee of the Committee for Economic Development and Vice Chair of the Board of Trustees of the Conference Board, a global, independent business membership and research association working in the public interest. Prior to joining Aetna, Mr. Williams co-founded several businesses and served in senior management positions at a number of other companies.

**Our Board's Independence**

13 of our 14 director nominees are independent.

Our governance principles provide that a substantial majority of our directors will meet the criteria for independence required by the New York Stock Exchange (NYSE). A director is considered independent if the Board determines that he or she does not have a material relationship with the Company. In making its annual independence determinations, the Board considers transactions between each director nominee and the Company. Our Board has established guidelines to assist it in determining director independence. These guidelines can be found within our Corporate Governance Principles and cover, among other things, employment and compensatory relationships, relationships with our auditors, customer and business relationships, and contributions to nonprofit organizations.

Based on our guidelines, the Board determined in February 2017 that all of the Board's director nominees other than Mr. Chenault are independent.

Ambassador Barshefsky is a partner at the law firm of WilmerHale, a multi-national law firm based in Washington, D.C. From time to time and in the ordinary course of its business, WilmerHale provides legal services to American Express. Ambassador Barshefsky does not provide any such legal services, and she does not receive any compensation from the firm that is generated by or related to our payments to WilmerHale for such services. The Nominating and Governance Committee determined, based on fees paid to the firm over the past three years, that WilmerHale does not perform substantial legal services for the Company on a regular basis. The fees and expenses paid to WilmerHale represented less than one percent of the firm's annual revenue in each of the past three years and represented less than 0.1 percent of American Express's revenues in each such year. Further, the Nominating and Governance Committee reviewed the nature of American Express's engagement of WilmerHale and the services rendered, including the expertise and relevant experience of the firm and the specific partners engaged to work on the matters for which we have engaged the firm, and determined that Ambassador Barshefsky's service on American Express's Board should not impair American Express's ability to engage WilmerHale when American Express determines such engagements to be appropriate. The



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### **CORPORATE GOVERNANCE AT AMERICAN EXPRESS**

#### Our Corporate Governance Framework

Committee is satisfied that WilmerHale, when engaged for legal work, is chosen by American Express's legal group on the basis of the directly relevant factors of experience, expertise and efficiency. After considering the foregoing, the Committee determined and recommended to the Board that American Express's professional engagement of WilmerHale does not impair Ambassador Barshefsky's independence.

#### Our Corporate Governance Framework

### **Corporate Governance Principles**

Our corporate governance framework is designed to support the Company's brand attributes of trust, security and integrity, and to promote achievement of our financial targets through responsible development and execution of our corporate strategy. Our directors understand that they serve you as shareholders in carrying out their responsibilities to oversee the operations and strategic direction of our Company. To do so effectively, our Board, along with management, regularly reviews our corporate governance principles and practices to ensure that they are appropriate and reflect high standards. In reviewing our governance principles and making recommendations, the Nominating and Governance Committee considers the views of shareholders expressed to us in meetings, as well as publicly available discourse on governance.

We have adopted a set of Corporate Governance Principles which, together with the charters of the six standing committees of the Board of Directors (Audit and Compliance, Compensation and Benefits, Innovation and Technology, Nominating and Governance, Public Responsibility, and Risk), our Code of Conduct (which constitutes our code of ethics) and the Code of Business Conduct for the Members of the Board of Directors, provide our governance framework. Key governance policies and processes also include our whistleblower policy, our comprehensive enterprise-wide risk management program, our commitment to transparent financial reporting and our systems of internal checks and balances. Comprehensive management policies, many of which are approved at the board level, guide the Company's operations.

You may view the following documents by clicking on the [Corporate Governance](#) link found on our investor relations webpage at <http://ir.americanexpress.com> and then selecting [Governance Framework](#). You may also access our Investor Relations webpage through our main website at [www.americanexpress.com](http://www.americanexpress.com) by clicking on the [About American Express](#) link, which is located at the bottom of the Company's homepage. You may also obtain free copies of the following materials by writing to our Company's Secretary at our headquarters:

- Corporate Governance Principles
- Charters for each of the six standing Board committees
- Code of Conduct for Employees (which constitutes our code of ethics)
- Code of Business Conduct for Members of our Board
- Whistleblower Policy

### **COMMITMENT TO INTEGRITY AND TRUST**

We seek to achieve strong results for our shareholders through a commitment to high standards of ethical behavior and integrity, sound governance and risk management practices, a strong ethos of customer service and a commitment to giving back to the communities in which we work and operate.

Leaders are responsible to demonstrate the highest standards of integrity in all dealings with fellow employees, customers, suppliers and the community at large.



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### CORPORATE GOVERNANCE AT AMERICAN EXPRESS Corporate Responsibility at American Express

#### **Director Stock Ownership**

Our governance principles provide that non-management directors are required to obtain a personal holding of shares (directly or through share equivalent units) with a value of \$1 million within five years of joining the Board.

#### **Majority Voting Standard for Director Elections**

In a non-contested election, directors are elected by a majority of for votes cast by shareholders. (A non-contested election is an election where the number of nominees is the same as the number of directors to be elected.) If a director receives a greater number of votes against than votes for his or her election, the director is required to immediately submit his or her resignation to the Board. The Board, excluding such individual, will decide whether or not to accept such resignation and will promptly disclose and explain its decision in a Form 8-K filed with the Securities and Exchange Commission (SEC).

In a contested election, the director nominees who receive the plurality of votes cast are elected as directors. Under the plurality standard, the number of persons equal to the number of vacancies to be filled who receive more votes than other nominees are elected to the Board, regardless of whether they receive a majority of votes cast. An election is considered contested under our certificate of incorporation if there are more nominees than positions on the Board to be filled at the meeting of shareholders as of the fourteenth day prior to the date on which we file our definitive proxy statement with the SEC.

#### **Proxy Access**

A shareholder or group of no more than 20 shareholders that has owned at least 3 percent of our common shares for at least 3 years may nominate directors to our Board and include the nominees in our proxy materials to be voted on at our annual shareholder meeting. The maximum number of shareholder nominees that will be included in our proxy materials with respect to any such annual meeting is the greater of (i) two or (ii) 20 percent of directors to be elected. A shareholder who seeks to nominate a director or directors to our Board must provide proper notice to the Company's Secretary under the terms of our by-laws.

#### **Corporate Responsibility at American Express**

##### **Community**

At American Express, we believe that serving our communities is not only integral to running a business successfully; it is one of our responsibilities as citizens of the world. The mission of our corporate social responsibility program is to bring to life the American Express value of good corporate citizenship by supporting communities in ways that enhance the Company's reputation with employees, customers, business partners and other stakeholders.

##### **Environment**

In the past few years, we have taken measurable actions to reduce our global carbon footprint, optimize the efficiency and sustainability of our workplace, support our customers in reducing their own environmental footprints and encourage our suppliers and employees to act in more sustainable ways. For example, we reduced our carbon emissions by 27.5 percent between 2007 and 2012. Building on this achievement, American Express committed to reducing absolute greenhouse gas emissions by 10 percent globally (vs. 2011 baseline) by the end of 2016. For additional information regarding Corporate Responsibility at American Express, please see pages 36-37.



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### **CORPORATE GOVERNANCE AT AMERICAN EXPRESS**

Our Board's Role and Responsibilities, Structure and Processes

#### **Our Board's Role and Responsibilities, Structure and Processes**

#### **How Our Board Engages in CEO and Key Executive Succession Planning**

A primary board responsibility is to ensure that we have the appropriate management talent to pursue our strategies successfully. The Board plans for CEO succession and oversees management's planning for succession of other key executive positions. Our board calendar includes at least one meeting each year at which the Board conducts a detailed review of the Company's talent strategies, leadership pipeline and succession plans for key executive positions. As the market for top talent in our industry is highly competitive, the Compensation and Benefits Committee oversees how we retain key talent.

The entire Board of Directors is involved in the critical aspects of the CEO succession planning process, including establishing selection criteria that reflect our business strategies, identifying and evaluating potential internal candidates and making key management succession decisions. Succession is regularly discussed with the CEO as well as without the CEO present in executive sessions of the Board. The Board makes sure that it has adequate opportunities to meet with and assess development plans for potential CEO successors to address identified gaps in skills and attributes. This occurs through various means, including informal meetings, board dinners, presentations to the Board and committees, attendance at board meetings and the comprehensive annual talent review. In addition, the Board has developed an emergency CEO succession plan.

#### **How We Manage Risk**

We use our comprehensive Enterprise Risk Management (ERM) program to identify, aggregate, monitor and manage risks. The program also defines our risk appetite, governance, culture and capabilities. The implementation and execution of the ERM program is headed by our Chief Risk Officer.

There are several internal management committees, including the Enterprise-wide Risk Management Committee (ERMC), chaired by our Chief Risk Officer, which oversee risks. The ERMC is the highest-level management committee to oversee all firm-wide risks. It maintains the enterprise-wide risk appetite framework and monitors compliance with limits and escalations defined in it. The ERMC oversees implementation of risk policies across the Company with approval by the appropriate Board committee. The ERMC reviews key risk exposures, trends and concentrations, significant compliance matters, economic capital and Basel capital trends, and provides guidance on the steps to monitor, control and report major risks. The ERMC is responsible for risk governance, risk oversight and risk appetite for all risks, including individual credit risk, institutional credit risk, operational risk, compliance risk, reputational risk, market risk, asset liability management risk, liquidity risk, model risk and strategic and business risk.

#### **How our Board Oversees Risk Management**

Risk management is overseen by our Board of Directors through three Board committees: Risk, Audit and Compliance, and Compensation and Benefits. Each committee consists entirely of independent directors and provides regular reports to the Board regarding matters reviewed at their committee. The committees meet regularly in private sessions with our Chief Risk Officer, the Chief Compliance Officer, the General Auditor and other senior management with regard to our risk management processes, controls, talent and capabilities.

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### CORPORATE GOVERNANCE AT AMERICAN EXPRESS Our Board's Role and Responsibilities, Structure and Processes

#### **The risk management roles and responsibilities of these committees are:**

##### **Risk Committee**

Provides oversight of our enterprise-wide risk management framework, processes and methodologies. Approves our ERM policy, which covers risk governance, risk oversight and risk appetite, including individual credit risk, institutional credit risk, market risk, liquidity risk, operational risk, reputational risk, compliance risk, model risk, asset liability risk and strategic and business risk. Our ERM policy:

Defines the authorized risk limits to control exposures within our risk capacity and risk tolerance, including stressed forward-looking scenarios

Establishes principles for risk taking in the aggregate and for each risk type, and is supported by a comprehensive system for monitoring limits, escalation triggers and assessing control programs

Reviews and concurs in the appointment, replacement, performance and compensation of our Chief Risk Officer

Receives regular updates from the Chief Risk Officer on key risks, transactions and exposures

Reviews our risk profile against the tolerances specified in the Risk Appetite Framework, including significant risk exposures, risk trends in our portfolios and major risk concentrations

Provides oversight of our compliance with Basel capital and liquidity standards and our Internal Capital Adequacy Assessment Process, including the Comprehensive Capital Analysis and Review (CCAR) submissions and resolution planning

##### **Audit and Compliance Committee**

Assists the Board in its oversight responsibilities relating to the integrity of our financial statements and financial reporting process, internal and external auditing, including the qualifications and independence of the independent registered public accounting firm and the performance of our internal audit services function, and the integrity of our systems of internal accounting and financial controls

Provides oversight of our Internal Audit Group

Reviews and concurs in the appointment, replacement, performance and compensation of our General Auditor and approves Internal Audit's annual audit plan, charter, policies and budget

Receives regular updates on the audit plan's status and results including significant reports issued by Internal Audit and the status of our corrective actions

Reviews and approves our compliance policies, which includes our Compliance Risk Tolerance Statement

Reviews the effectiveness of our Corporate-wide Compliance Risk Management Program

##### **Compensation and Benefits Committee**

Works with the Chief Risk Officer to ensure our overall compensation programs, as well as those covering our business units and risk-taking employees, appropriately balance risk with business incentives and that business performance is achieved without taking imprudent or excessive risk

Our Chief Risk Officer is actively involved in setting goals, including for our business units

Our Chief Risk Officer also reviews the current and forward-looking risk profiles of each business unit and provides input into performance evaluations

Our Chief Risk Officer meets with the Committee and attests whether performance goals and results have been achieved without taking imprudent risks

Uses a risk-balanced incentive compensation framework to decide on our bonus pools and the compensation of senior executives

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### **CORPORATE GOVERNANCE AT AMERICAN EXPRESS**

Our Board's Role and Responsibilities, Structure and Processes

## **Our Board Leadership**

Our Board is led by a combination of Mr. Chenault, Chairman and Chief Executive Officer, and Mr. Walter, our Lead Independent Director, supplemented by active committee chairs and independent-minded, skilled and committed directors. Our Board believes that this structure creates an environment in which the Board can work effectively and appropriately challenge management.

Our Nominating and Governance Committee evaluates the effectiveness of our Board as part of the annual board evaluation process. The Committee believes that Mr. Chenault's leadership as Chairman (in particular, his knowledge of our business, his transparency, openness and responsiveness to feedback, and his ability to draw on the resources and expertise of the Board to make sure that all directors actively contribute to the discussion) has promoted board focus on the most impactful areas, effective board challenge and responsible decision-making. In addition, Mr. Walter's role and responsibilities are robust, and he devotes significant time to his position. He has a deep knowledge of our Company and history and the trust and confidence of the Board that he will appropriately represent the directors' views, present feedback to management and monitor that the feedback is appropriately addressed. Mr. Walter was reelected Lead Independent Director in February 2017 by the independent directors upon the recommendation of the Nominating and Governance Committee. He has served in this role since 2011.

### **Our Board Chairman**

Draws on his knowledge of our business, operations, industry and competitive developments, key customers and business partners in setting the agenda and focusing board discussions

Presents our message and strategy to shareholders, employees, regulators, customers and the public. Communicates feedback from these stakeholders to directors in a timely and open manner

Provides timely, open and transparent communication of significant matters to directors

Calls special meetings of directors when necessary and otherwise updates board members between meetings through one-on-one or group phone calls

Ensures that he is available to all directors between meetings

Leads meetings in a way that generates healthy debate and exchange of viewpoints from all directors so that board meetings are productive group discussions

Communicates to the entire organization the culture of integrity and ethical behavior that the Board expects

Meets regularly with the Lead Independent Director to receive feedback from the Board, set agendas and discuss board functioning

### **Our Lead Independent Director**

Evolves his role as circumstances change and devotes significant time to understanding our business and key developments and reaching out to the Chairman and other directors between meetings

Presides at all meetings of the Board at which the Chairman is not present. Leads non-management director executive sessions at every regular board meeting and sessions of the independent directors, presents feedback to the CEO and makes sure that feedback is appropriately addressed

Has the authority to call meetings of the independent directors

Serves as liaison between the Chairman and the independent directors. Works with the Chairman to make sure that all director viewpoints are considered and that decisions are appropriately made

Approves information sent to the Board

Approves meeting agendas for the Board

Approves meeting schedules to ensure that there is sufficient time for discussion of all agenda items

Meets with directors between meetings

Engages with shareholders

Performs such other duties as the independent directors may designate from time to time

Engages with shareholders and analysts

Meets with key regulators

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**CORPORATE GOVERNANCE AT AMERICAN EXPRESS**  
Our Board's Role and Responsibilities, Structure and Processes

**Our Non-Management Director Executive Sessions**

Executive sessions of non-management directors, led by our Lead Independent Director, enable the Board to discuss matters such as strategy, CEO and senior management performance and compensation, succession planning and board effectiveness without management present. Our non-management directors meet in executive session at each regularly scheduled board meeting. Any director may request additional executive sessions of non-management or independent directors. During 2016, our independent directors met in executive session at 8 meetings.

**Our Board Evaluation Process**

Our Board continually seeks to improve its performance. Conducting a robust self-assessment presents the opportunity to examine the Board's effectiveness and practices and identify areas for improvement.

Our Board evaluations cover the following areas:

Board effectiveness

Board and committee composition

Satisfaction with the performance of the Chairman

Satisfaction with the performance of the Lead Independent Director

Access to the Chief Executive Officer and other members of senior management

Quality of the board discussions and balance between presentations and discussion

Quality of materials presented to directors

Board and committee information needs

Satisfaction with board agendas and the frequency of meetings and time allocations

Areas where directors want to increase their focus

Board dynamics and culture

Director access to experts and advisors

Satisfaction with the format of the evaluation

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**CORPORATE GOVERNANCE AT AMERICAN EXPRESS**

Our Board’s Role and Responsibilities, Structure and Processes

The table below summarizes our Board Evaluation process.

<p><b>1 Corporate Governance Review</b></p> <p>Our Nominating and Governance Committee reviews our Corporate Governance Principles in light of general corporate governance developments and practices suggested by governance organizations and investors, and recommends changes that it believes are appropriate to maintain high standards of governance.</p>	<p><b>2 Annual Board and Committee Evaluations</b></p> <p>The format is reviewed by the Nominating and Governance Committee.</p> <p>We currently use a questionnaire that is tailored to address the significant processes that drive board effectiveness.</p> <p>The questionnaire elicits discussion through open-ended questions.</p>	<p><b>3 Summary of the Written Evaluations</b></p> <p>The Company’s Secretary summarizes the responses, showing trends since the prior year and written comments, which are shared with the Board and committee members. Responses are not attributed to specific individuals to promote candor.</p>	<p><b>4 Board and Committee Review</b></p> <p>The Chairman of the Nominating and Governance Committee and each committee chair leads discussions of the Board and each committee, using the questionnaire as a guide. Management is not present. Committee chairs report on their evaluations to the full Board.</p> <p>As an outcome of the discussions, directors deliver feedback to the Chairman of the Board and suggest changes and areas for improvement.</p>
<p><b>5 Actions</b></p>	<p>Examples of changes made in response to this process over the years have included:</p> <ul style="list-style-type: none"> <li>Formed the Innovation and Technology Committee to enable a deeper focus in this area</li> <li>Enhanced the information regularly provided to directors</li> <li>Changed the format of board meetings to enable more time for director discussion with and without the CEO present</li> <li>Changed the format of materials to combat information overload and to enable directors to focus on the key data</li> <li>Increased informal meetings between directors and key executives</li> <li>Provided director training on emerging risk areas</li> <li>Added international board members and increased the diversity of the Board</li> </ul>		



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### CORPORATE GOVERNANCE AT AMERICAN EXPRESS Shareholder Engagement

## Shareholder Engagement

### **Our Board's Commitment to Shareholder Engagement**

#### Why We Engage

We have embraced a robust shareholder engagement process for many years. Our directors and management recognize the benefits that come from this dialogue. We engage with shareholders throughout the year in order to:

Provide visibility and transparency into our business, our performance and our governance practices

Discuss with our shareholders the issues that are important to them, hear their expectations for us and share our views

Assess emerging issues that may affect our business, inform our decision making, enhance our corporate disclosures and help shape our practices

#### How We Engage

#### **Investor Relations and Senior Management**

We provide institutional investors with many opportunities to provide feedback to our Board and senior management. We participate in:

Formal events

One-on-one meetings

Group meetings throughout the year

To learn more about our engagement with institutional investors, you may visit our investor relations website at <http://ir.americanexpress.com>.

#### **Secretary and Chief Governance Officer**

We engage with governance representatives of our major shareholders through in-person meetings and conference calls that occur during and outside of the proxy season. Members of the corporate governance, investor relations and executive compensation groups discuss, among other matters, company performance, emerging governance practices generally and specifically with respect to our Company, the reasons behind a shareholder's voting decisions at prior meetings, our executive compensation practices and our corporate social responsibility practices.

#### **Board Involvement**

We make our Lead Independent Director available for engagement with large shareholders, including participating in joint investor relations and corporate governance meetings. We deliver feedback to our directors regarding these shareholder meetings.

#### **Outcomes from Investor Feedback**

Shareholder feedback is thoughtfully considered and has led to modifications in our executive compensation program, governance practices and disclosures. Some of the actions we have taken in response to shareholder feedback over the last several years include:

Adopted proxy access

Added performance vesting criteria to our annual restricted stock unit grant

Required our CEO to retain a portion of shares granted until after retirement

Made changes to our executive compensation peer group

Enhanced the process our Compensation and Benefits Committee uses to determine CEO compensation and clarified the CEO's target and maximum incentive opportunities

Enhanced our website disclosures on political contributions and diversity

Enhanced our proxy disclosures

Amended our Corporate Governance Principles to limit the number of public company boards on which our directors may serve

Designed our 2017 Incentive Compensation Plan to reflect evolving shareholder preferences

Updated our Corporate Social Responsibility Report and included it on our website



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### CORPORATE GOVERNANCE AT AMERICAN EXPRESS

#### Board Committees

## **How To Communicate With Our Board**

You may communicate with the Board or an individual director by letter, email or telephone, directed in care of the Company's Secretary, who will forward your communication to the intended recipient. However, at the discretion of the Secretary, unsolicited advertisements or invitations to conferences or promotional material may not be forwarded.

If you wish to communicate a concern about our financial statements, accounting practices or internal controls, please direct your concern to the Chair of the Audit and Compliance Committee. If the concern relates to our governance practices, business ethics or corporate conduct, it should be directed to the Chair of the Nominating and Governance Committee or the Lead Independent Director. Matters relating to executive compensation may be directed to the Chair of the Compensation and Benefits Committee. If you are unsure of the category to which your concern relates, you may communicate it to any one of the independent directors, to the Lead Independent Director or to the Chairman.

Please direct such communications in care of the Secretary as follows:

Carol V. Schwartz  
Secretary and Chief Governance Officer  
American Express Company  
200 Vesey Street  
New York, NY 10285  
(212) 640-2000  
corporatesecretaryoffice@aexp.com  
Board Committees

## **Board Committee Responsibilities**

### **Audit and Compliance Committee**

#### **RESPONSIBILITIES:**

Assists the Board in its oversight of the integrity of our financial statements and financial reporting processes, and internal and external auditing, including the qualifications and the independence of the independent registered public accounting firm, the performance of the Company's internal audit services function, the integrity of our systems of internal control over financial reporting, and legal and regulatory compliance. See page 41 under *Report of the Audit and Compliance Committee* for additional information regarding the duties of the Committee with respect to oversight of our financial reporting process

#### **Members:**

John J. Brennan  
Ralph de la Vega  
Anne L. Lauvergeon  
Michael O. Leavitt  
Daniel L. Vasella (Chair)

#### **Independence:**

Each member of the Committee is independent and financially literate

Appoints, replaces, reviews and evaluates the qualifications of the Company's independent registered public accounting firm

#### **Audit Committee Financial**

**Expert:** Mr. Brennan meets the requirements as defined by SEC rules

Oversees the process for the receipt, retention and treatment, on a confidential basis, of complaints we receive regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters

Reviews and discusses reports from management regarding significant reported ethics violations under our code of conduct and other corporate governance policies

#### **Meetings in Fiscal Year**

**2016:** 12

Meets regularly in executive session with management, the Company's General Auditor, the Company's independent registered public accounting firm and the Company's Chief Compliance Officer



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CORPORATE GOVERNANCE AT AMERICAN EXPRESS  
Board Committees

**Compensation and Benefits Committee**

<p><b>Members:</b> Ursula M. Burns Peter Chernin Samuel J. Palmisano Robert D. Walter (Chair) Ronald A. Williams</p> <p><b>Independence:</b> Each member of the Committee is independent</p> <p><b>Meetings in Fiscal Year 2016:</b> 4</p>	<p><b>RESPONSIBILITIES:</b></p> <p>Oversees the compensation of our executive officers and designated key employees</p> <p>Oversees our employee compensation plans and arrangements and employee benefit plans</p> <p>Approves an overall compensation philosophy and strategy for the Company and its executive officers, including the selection of performance measures aligned with our business strategy, and the review of our compensation practices so that they do not encourage imprudent risk taking</p> <p>Evaluates potential conflicts of interest with respect to its advisors</p> <p><b>Compensation and Benefits Committee Interlocks and Insider Participation:</b> None of the current members of the Committee is a former or current officer or employee of the Company or any of its subsidiaries. None of them has any relationship required to be disclosed under this caption under the rules of the SEC.</p>
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**Innovation and Technology Committee**

<p><b>Members:</b> Charlene Barshefsky Ralph de la Vega Michael O. Leavitt Theodore J. Leonsis (Chair)</p> <p><b>Meetings in Fiscal Year 2016:</b> 4</p>	<p><b>RESPONSIBILITIES:</b></p> <p>Assists the Board in its oversight of strategic innovation and technology initiatives</p> <p>Reviews our digital and technology strategy, our transformation initiatives and our digital product innovations</p> <p>Reviews metrics on innovation and digital and technology developments and technology progress</p>
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**Nominating and Governance Committee**

<p><b>Members:</b> Peter Chernin (Chair) Samuel J. Palmisano Daniel L. Vasella Robert D. Walter Ronald A. Williams</p> <p><b>Independence:</b> Each member of the Committee is independent</p> <p><b>Meetings in Fiscal Year 2016:</b> 7</p>	<p><b>RESPONSIBILITIES:</b></p> <p>Considers and recommends candidates for election to the Board</p> <p>Advises the Board on director compensation</p> <p>Oversees the annual performance evaluation process for the Board and Board committees</p> <p>Advises the Board on corporate governance and board leadership</p> <p>Discusses feedback from shareholders regarding governance practices and advises on shareholder engagement practices</p> <p>Administers the Related Person Transaction Policy</p>
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Supports the Board with respect to management succession planning

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### CORPORATE GOVERNANCE AT AMERICAN EXPRESS

Compensation of Directors

#### **Public Responsibility Committee**

##### **RESPONSIBILITIES:**

Reviews legislation, regulations and policies affecting us, our philanthropic programs, our political action committee, our corporate political contributions and our government relations activities

##### **Members:**

Charlene Barshefsky (Chair) Reviews legislation, regulations and policies affecting the communities in which we operate and our environmental and social programs and practices

Anne L. Lauvergeon

Theodore J. Leonsis

Richard C. Levin

**Political Engagement Activities:** We communicate with policymakers on public policy issues important to the Company. In addition to our advocacy efforts, we participate in the political process through the American Express Political Action Committee (AXP PAC) and through corporate political contributions in those jurisdictions where it is permissible to do so. AXP PAC is funded solely by voluntary employee contributions and does not contribute to presidential campaigns. We maintain comprehensive compliance procedures to ensure that our activities are conducted in accordance with all relevant laws, and management regularly reports to the Public Responsibility Committee regarding its engagement in the public policy arena and its political contributions. Information regarding our Company's political activities, including U.S. political contributions, may be found at <http://about.americanexpress.com/news/pap.aspx>.

##### **Meetings in Fiscal Year 2016: 3**

#### **Risk Committee**

##### **Members:**

John J. Brennan

Ursula M. Burns

Richard C. Levin

Daniel L. Vasella

Ronald A. Williams (Chair)

##### **RESPONSIBILITIES:**

Assists the Board in its oversight of the Company's enterprise-wide risk management framework and the policies and procedures established by management to identify, assess, measure and manage key risks facing the Company

Assists the Board in its oversight of management's execution of capital management, liquidity planning and resolution planning

##### **Independence:**

Each member of the Committee is independent

Meets regularly in executive session with the Company's Chief Risk Officer.

##### **Meetings in Fiscal Year 2016: 8**

Please see "How our Board Oversees Risk Management" on pages 24-25 for additional information regarding the activities of the Committee

#### **Compensation of Directors**

The Nominating and Governance Committee reviews director compensation. The Committee's objectives are to compensate our directors in a manner that attracts and retains highly qualified directors and aligns the interests of our directors with those of our long-term shareholders. In 2016, the Committee engaged an independent compensation advisory firm, Semler Brossy Consulting Group, to assist the Committee in its review of the competitiveness and structure of the Company's non-management director compensation.

This review included a benchmark of our director compensation against the 20 companies that our Compensation and Benefits Committee examines as a source of benchmarking data when examining the competitiveness of our executive compensation practices, as well as the S&P 100 and certain financial institutions. After completing its review, the Nominating and Governance Committee determined not to change the amount or form of director compensation.





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CORPORATE GOVERNANCE AT AMERICAN EXPRESS  
 Compensation of Directors

The following table provides information on the 2016 compensation of non-management directors who served for all or a part of 2016. We reimburse directors for reasonable out-of-pocket expenses attendant to their board service.

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)	All Other Compensation (3) Total
Charlene Barshefsky	\$ 115,000	\$ 165,000	