

REINSURANCE GROUP OF AMERICA INC  
Form DEF 14A  
April 11, 2019

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (AMENDMENT NO. )

Filed by the registrant

Filed by a party other   
than the registrant

Check the appropriate box:

Preliminary proxy statement

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

Definitive proxy statement

Definitive additional materials

Soliciting material pursuant to Rule 14a-12

REINSURANCE GROUP OF AMERICA,  
INCORPORATED

(Name of  
Registrant

as

Specified

in Its

Charter)

(Name of

Person(s)

Filing

Proxy

Statement,

if other

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(1) Amount previously paid:

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(3) Filing party:

(4) Date filed:

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NOTICE OF THE ANNUAL MEETING OF  
THE SHAREHOLDERS OF  
REINSURANCE GROUP OF AMERICA, INCORPORATED

Chesterfield, Missouri

April 11, 2019

To the Shareholders of Reinsurance Group of America, Incorporated:

The Annual Meeting of the Shareholders of Reinsurance Group of America, Incorporated (the "Company") will be held at the Company's principal executive offices located at 16600 Swingley Ridge Road, Chesterfield, Missouri 63017 on May 22, 2019, commencing at 2:00 p.m. At this meeting only holders of record of the Company's common stock at the close of business on March 22, 2019 will be entitled to vote, for the following purposes:

1. To elect six directors for terms expiring in 2020;
2. To vote to approve the compensation of the Company's named executive officers on a non-binding, advisory basis;
3. To ratify the appointment of Deloitte & Touche LLP as the Company's independent auditor for the year ending December 31, 2019; and
4. To transact other business, if any, properly brought before the meeting.

REINSURANCE GROUP OF  
AMERICA, INCORPORATED

By

J. Cliff Eason, Chairman of the Board

William L. Hutton, Secretary

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PROXY STATEMENT SUMMARY

These proxy materials are being provided to you because the Board of Directors is soliciting your proxy to vote your shares at the Company's 2019 Annual Shareholders' Meeting. This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider and you should read the entire Proxy Statement carefully before voting. Page references are supplied to help you find additional information in this Proxy Statement. This Proxy Statement and the related proxy materials were first made available to shareholders and on the Internet on April 11, 2019.

Annual Shareholders' Meeting

Time: May 22, 2019, 2:00 p.m., Central time  
 Place: 16600 Swingley Ridge Road, Chesterfield, Missouri 63017  
 Record Date: Close of business on March 22, 2019

Voting Matters and Board Recommendations

Proposal	Board Recommendation	Voting Options	Vote Required to Adopt the Proposal	More Information
1. Election of Directors	FOR all nominees	For, against or abstain for each nominee	If a quorum is present, the vote required to elect each director is a majority of the common stock represented in person or by proxy at the Annual Meeting.	page <u>1</u>
2. Shareholders' Advisory Vote on Executive Compensation	FOR	For, against or abstain	If a quorum is present, the vote required to approve this Item is a majority of the common stock represented in person or by proxy at the Annual Meeting.	page <u>55</u>
3. Ratification of Appointment of Independent Auditor	FOR	For, against or abstain	If a quorum is present, the vote required to approve this Item is a majority of the common stock represented in person or by proxy at the Annual Meeting.	page <u>57</u>

See "Additional Information - Voting" (page 63) for additional information.

Board Nominees (page 1)

Name	Director Since	Independent	Election for Term Ending	Committee Memberships
Christine R. Detrick	2014	Yes	2020	Compensation, Nominating and Governance

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John J. Gauthier	2018	Yes	2020	Audit, Finance, Investment and Risk Management
Alan C. Henderson	2002	Yes	2020	Finance, Investment and Risk Management (chair), Nominating and Governance
Anna Manning	2016	No	2020	none
Hazel M. McNeilage	2018	Yes	2020	Audit, Nominating and Governance
Steven C. Van Wyk	2019	Yes	2020	none

Our 2018  
Board and  
Its  
Committees  
(page 15)

	Number of Members*	Percent Independent*	Number of Meetings in 2018
Full Board	11	91%	8
Audit	5	100%	8
Compensation	5	100%	5
Finance, Investment and Risk Management	5	100%	5
Nominating and Governance	5	100%	4

\*As of December 31, 2018.

Governance  
Facts (page  
12)

Size of Board	11*
Number of Independent Directors	10
Audit and Compensation Committees Comprised Entirely of Independent Directors	Yes
Independent Presiding Director	Yes
Separate Chairman and CEO	Yes
Majority Voting for Director Elections	Yes
Advisory Vote on Executive Compensation	Annual
Annual Board and Committee Self-Evaluations	Yes
Stock Ownership Guidelines for Directors and Executive Officers	Yes
Restrictions on Hedging and Pledging of Company Shares for Directors and Employees	Yes
Executive Incentive Recoupment (Clawback) Policy	Yes
Declassified Board of Directors	Yes**
Proxy Access	Yes
Shareholder Rights Plan (Poison Pill)	No

\*As of December 31, 2018.

\*\*Declassification is phased in over a three-year period. The Board will be fully declassified in 2021.



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2018

Executive

Compensation

Highlights

(page 22)

Annual Bonus Plan (based only on overall Company financial performance)

Metric	Actual Results	% of Target Payout
Adjusted Operating Income Per Share <sup>1</sup> (50%)	\$12.12/share	68.5%
Book Value Per Share Excluding AOCI <sup>1</sup> (25%)	\$124.39/share	84.5%
New Business Embedded Value (15%)	\$616.2 million	139.5%
Annual Adjusted Operating Consolidated Revenue <sup>1</sup> (10%)	\$12.9 billion	109.4%
Payout		87.3%

2016-2018 Performance Contingent Share Program

Metric	Actual Results	% of Target Payout
Three-Year Adjusted Operating Return on Equity <sup>1</sup>	10.9%	119.0%
Three-Year Relative Return on Equity	TBD	TBD
Three-Year Adjusted Operating Revenue Growth Rate <sup>1</sup>	8.6%	200.0%
Payout	To be determined late April 2019	

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

2018 Business Highlights

Summarized below are highlights of our financial performance for 2018:

• Our full-year total revenue was \$12.9 billion and net premiums totaled \$10.5 billion in 2018.

• Our full-year earnings per diluted share: net income \$11.00; adjusted operating income<sup>1</sup> \$12.12.

• Our full-year return on equity was 8.1% for 2018 and our full-year adjusted operating return on equity<sup>1</sup> was 10.3%.

• Book value per share at year-end 2018 was \$134.53 including accumulated other comprehensive income ("AOCI"), and \$124.39 excluding AOCI.<sup>1</sup>

• Our dividends for the year totaled \$2.20, an increase of 21 percent over the prior year.

For additional information on our 2018 financial performance, see our 2018 Annual Report on Form 10-K.

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

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Five Elements  
of Executive  
Compensation  
(page 29)

Element	Form	Key Features
1. Base Salary	Cash	<p>Intended to attract and retain top talent.</p> <p>Generally positioned near the 50th percentile of our pay level peer group, but varies with individual skills, experience, responsibilities and performance.</p> <p>Represents approximately 27.4%* of named executive officer target total compensation for 2018.</p> <p>Tied to one or more of the following factors: overall Company performance, performance of the participant's division or business unit and/or individual performance.</p> <p>Performance goals established in the first quarter of each year with financial</p>
2. Annual Bonus Plan	Cash	

3. Performance  
Contingent  
Shares

Equity

goals of each business unit aligning to corporate goals. Payouts range from 0% of target payout to 200% of target payout, depending on performance. Intended to motivate annual performance with respect to key financial and other measures. Represents approximately 29.0%\* of named executive officer target total compensation for 2018. Awards granted prior to 2018 are tied to three-year adjusted operating revenue growth rate, three-year adjusted operating ROE and three-year Relative ROE. For awards granted in 2018 and onward, performance contingent share payouts are based on the following measures: (i) three-year adjusted

operating  
return on  
equity; (ii)  
three-year  
adjusted  
operating  
income; and  
(iii) three-year  
book value per  
share,  
excluding  
accumulated  
other  
comprehensive  
income.

Performance  
goals  
established at  
the beginning  
of each three  
year cycle and  
fully vest after  
three years.  
Payouts range  
from 0% of  
target payout to  
200% of target  
payout,  
depending on  
Company  
performance.  
Intended to  
motivate  
intermediate  
performance  
with respect to  
key financial  
measures and  
align our  
named  
executive  
officers'  
interests with  
those of our  
shareholders.  
Represents  
approximately  
32.1%\* of  
named  
executive  
officer target

Stock  
4. Appreciation  
Rights

Equity

total  
compensation  
for 2018.  
Fully vests on  
December 31  
of the fourth  
year of grant  
(25% per year).  
Intended to  
motivate  
long-term  
performance,  
promote  
appropriate  
risk-taking,  
align our  
named  
executive  
officers'  
interests with  
shareholders'  
interests and  
promote  
retention.  
Represents  
approximately  
11.5%\* of  
named  
executive  
officer target  
total  
compensation  
for 2018.

5. Retirement and Pension Benefits Deferred Cash Our retirement and pension  
benefits are designed to provide a  
competitive level of  
post-employment income as part  
of a total rewards package that  
supports our ability to attract and  
retain key members of our  
management.

U.S. Executives:

Savings Plan  
with 401(k)  
(pre-tax) and  
Roth 401(k)  
(after-tax) plan  
components  
that provides  
Company  
matching

contributions in  
compliance  
with IRS limits.

Qualified  
pension plan  
that is a widely  
available  
retirement plan  
providing a  
source of  
income during  
retirement.

Non-qualified  
Augmented  
Benefit Plan  
that provides  
contributions  
without regard  
to IRS limits.

Non-qualified  
Executive  
Deferred  
Savings Plan  
into which  
deferrals can be  
made on a  
pre-tax basis  
without regard  
to qualified  
plan limits.

Canadian Executives:

A widely  
available  
defined  
contribution  
registered  
pension plan  
that provides  
Company  
matching  
contributions in  
accordance  
with the  
Supplemental  
Pension Plans  
Act of Quebec  
as well as the  
Canadian  
Income Tax  
Act.

Supplemental  
Executive  
Retirement  
Plan for  
Canadian  
executives  
providing  
annual pension  
income in  
addition to  
amounts  
payable from  
any registered  
pension plan.

\*Calculation excludes pension and retirement benefits.

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## PROXY STATEMENT

### INFORMATION ABOUT THE ANNUAL MEETING

The Board of Directors of Reinsurance Group of America, Incorporated (the "Company") is making this proxy solicitation in connection with the Company's 2019 Annual Meeting of Shareholders to be held at 2:00 p.m. on May 22, 2019, and all adjournments and postponements thereof. The Company is first making available the Company's Annual Report to Shareholders for the year ended December 31, 2018 and this Proxy Statement on April 11, 2019. The solicitation will primarily be by Internet and mail and the expense thereof will be paid by the Company. In addition, proxies may be solicited by directors, officers or employees of the Company in person, or by telephone, facsimile transmission or other electronic means of communication. To aid in the solicitation of proxies, we have retained MacKenzie Partners, which will receive a fixed fee of approximately \$15,000, in addition to the reimbursement of out-of-pocket expenses, for its performance of certain administrative services related to the solicitation. MacKenzie Partners will not make any recommendation to the shareholders regarding the approval or disapproval of any voting matters.

The close of business on March 22, 2019 has been fixed as the record date for the determination of the Company shareholders entitled to vote at the Annual Meeting. As of the record date, approximately 62,544,347 shares of common stock were outstanding and entitled to be voted at the Annual Meeting.

### IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING

The Company's Notice of Annual Meeting, 2019 Proxy Statement and 2018 Annual Report to Shareholders are available on the Company's website at [www.rgare.com](http://www.rgare.com). Information on our website does not constitute part of this Proxy Statement.

## BOARD OF DIRECTORS

### ITEM 1 – ELECTION OF DIRECTORS

The first item to be acted upon at the Annual Meeting is the election of six directors to the Company's Board of Directors: Christine R. Detrick, John J. Gauthier, Alan C. Henderson, Anna Manning, Hazel M. McNeilage and Steven C. Van Wyk. The Board nominates each of these individuals for election at the Annual Meeting. Each nominee is currently a member of the Board.

All director nominees stand for election for a one-year term expiring at the Annual Meeting of the Shareholders in 2020. Should any one or more of the nominees be unable or unwilling to serve (which is not expected), the proxies will be voted for such other person or persons as the Board may recommend unless such proxies are marked otherwise.

#### Appointment of New Directors

Effective July 1, 2018, John J. Gauthier and Hazel M. McNeilage were appointed to the Board of Directors. Mr. Gauthier served as President of Allied World Financial Services and Executive Vice President and Chief Investment Officer of Allied World Assurance Company Holdings, AG. He was subsequently appointed to the Audit and Finance, Investment and Risk Management Committees. Ms. McNeilage is the retired Managing Director, EMEA for Northern Trust Asset Management. She was subsequently appointed to the Audit and Nominating and Governance Committees. Effective February 1, 2019, Steven C. Van Wyk was appointed to the Board of Directors. Mr. Van Wyk is Head of Technology & Innovation for PNC Financial Services Group, Inc. Mr. Van Wyk has not yet been appointed to any committees.

#### Nominees and Continuing Directors

The Board currently has twelve directors. Prior to the 2018 Annual Meeting, the directors were divided into three classes and each class served a three year term. At the 2018 Annual Meeting, shareholders voted to declassify the Board of Directors through a phase-in process, which will result in the full declassification of the Board by 2021. Certain information with respect to the director nominees proposed by the Company and the other directors whose terms of office will continue after the Annual Meeting is set forth below.

#### Vote Required

If a quorum is present, the vote required to elect each director is a majority of the common stock represented in person or by proxy at the Annual Meeting. The Company recommends a vote FOR all nominees for election to the Board.

#### To Be Elected as Director for Term Ending in 2020

Christine R.

Detrick

**Business Experience:** Ms. Detrick served as a Director/Partner, Leader of Americas Financial Services Practice, and Senior Advisor of Bain & Company, Inc., a global management consulting firm, from 2002 to 2012. Before joining Bain, Ms. Detrick served for 10 years at A.T. Kearney, Inc., a global management consulting firm, including as member of the Board of Directors, Management Committee member, Global Leader of the Financial Services Practice and Leader, Eastern U.S. Profit Center. Prior to those roles, she was a founding partner of First Financial Partners, a venture capital firm specializing in savings and loan institutions, from 1988 to 1992, and served as Chief Executive Officer for St. Louis Bank for Savings. Ms. Detrick is currently a member of the board of Hartford Mutual Funds, where she serves on the Nominating and Governance and Investment Committees. Ms. Detrick formerly served on the board of Forethought Financial Group, Inc. a private life insurance carrier and as an independent director, chairman of the Compensation Committee and member of the Nominating & Corporate Governance Committee of the board of Forest City Realty Trust, a publicly traded real estate company.

Former Director  
and Head of  
Americas  
Financial

Services Practice of Bain & Company, Inc. **Skills and Qualifications:** Corporate finance and financial reporting; investments; financial services and life insurance business; mergers and acquisitions; management and business consulting experience

Age: 60

Director since:  
2014

Independent



John J. Gauthier

**Business Experience:** Mr. Gauthier was the Chief Investment Officer of Allied World Assurance Company Holdings, AG, a global provider of insurance and reinsurance solutions, from 2008 to 2018. Mr. Gauthier also served as President of Allied World Financial Services Company, Inc. from 2012 until his retirement in 2018. Before joining Allied, Mr. Gauthier was a Managing Director with Goldman Sachs Asset Management, a division of Goldman Sachs & Co. Prior to Goldman Sachs, he was with Conning Asset Management and General Reinsurance/New England Asset Management and The Travelers. Mr. Gauthier holds a B.S. in computer information systems from Quinnipiac University and an M.B.A. in finance from The Wharton School, University of Pennsylvania. He is a Chartered Financial Analyst (CFA) and serves on the board of directors of the Middlesex Hospital Association.

Retired CIO of Allied  
World Assurance  
Company Holdings,  
AG and Retired  
President of Allied  
World Financial  
Services Company,  
Inc.

**Skills and Qualifications:** International business experience; insurance regulation; investments; public company management experience.

Age: 57  
Director since: 2018  
Independent  
Alan C. Henderson

**Business Experience:** Mr. Henderson was President and Chief Executive Officer of RehabCare Group, Inc. ("RehabCare") from 1998 until his retirement in 2003. Prior to becoming President and Chief Executive Officer, he was Executive Vice President, Chief Financial Officer and Secretary of RehabCare from 1991 through 1998. Mr. Henderson was a director of RehabCare from 1998 to 2003, Angelica Corporation from 2001 to 2003, and General American Capital Corp., a registered investment company, from 1989 to 2003.

Retired President and  
Chief Executive  
Officer of RehabCare  
Group, Inc.

**Skills and Qualifications:** Audit committee experience; experience as CEO and CFO of a public company; public company accounting and finance

Age: 73  
Director since: 2002  
Independent  
Anna Manning

**Business Experience:** Prior to becoming President of the Company in December 2015 and Chief Executive Officer in 2017, Ms. Manning held the position of Senior Executive Vice President, Structured Solutions, which included the Company's Global Financial Solutions and Global Acquisitions businesses. Prior to assuming this role, Ms. Manning spent four years as Executive Vice President, U.S. Markets. Ms. Manning joined the Company in 2007, and shortly thereafter assumed the role of Executive Vice President and Chief Operating Officer for the International Division. Prior to joining RGA, Ms. Manning spent 19 years in actuarial consulting at Tillinghast Towers Perrin, following an actuarial career in the Canadian marketplace at Manulife Financial from 1981 until 1988. She holds a B.Sc. in Actuarial

Science from the University of Toronto, is a Fellow of the Canadian Institute of Actuaries and a Fellow of the Society of Actuaries.

President and Chief

Executive Officer of  
the Company

Age: 60

Director since: 2016

Not independent

Skills and Qualifications: RGA's President since December 1, 2015 and Chief Executive Officer since January 1, 2017; extensive knowledge of the Company's business, operations and customers; extensive knowledge and relationships in the global financial services and life insurance business; actuarial experience; mergers and acquisitions

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Hazel M.  
McNeilage

**Business Experience:** Ms. McNeilage was the Regional Managing Director, EMEA, for Northern Trust Corporation's Asset Management division from 2015 to 2018 and a Director of Northern Trust Global Investment Ltd. Prior to joining Northern Trust, Ms. McNeilage held a variety of roles with Northill Capital Partners from 2012 to 2015, including interim CEO for one of Northill's affiliates. Prior to that, she spent two years as Head of Funds Management for QIC, a major sovereign wealth fund based in Australia. From 2001 to 2009 Ms. McNeilage was with Principal Global Investors, during which she served in leadership positions around the world and was a member of several boards. Prior to Principal, Ms. McNeilage spent more than a decade with Towers Perrin (now Willis Towers Watson), including a three-year term on its board of directors. Ms. McNeilage received a Bachelor of Science from the University of Lancaster, England, with majors in Mathematics, Economics, and Operations Research. She is a Fellow of the Institute and Faculty of Actuaries, a Fellow of the Institute of Actuaries of Australia, and a Board Leadership Fellow of the National Association of Corporate Directors (U.S.).

Retired Regional  
Managing  
Director, EMEA  
of Northern Trust  
Asset  
Management  
Age: 61  
Director  
since: 2018  
Independent

**Skills and Qualifications:** Actuarial experience; international business; investments; mergers and acquisitions; marketing; management and business consulting experience.

Steven C. Van  
Wyk

**Business Experience:** Mr. Van Wyk is the Head of Technology & Innovation at PNC Financial Services Group, Inc., where he is responsible for all aspects of technology and innovation across the bank. Prior to his roles at PNC, Mr. Van Wyk served as CIO of ING Insurance Americas from 2006 to 2007 before becoming CIO/COO of ING Bank and ING Group Amsterdam from 2008 to 2013. From 1996 to 2006, Mr. Van Wyk served in various roles, including Vice President - Strategic Information Technology, Managing Director, CIO and COO of the Individual Investor Group of Morgan Stanley. Mr. Van Wyk holds a B.A. in Business Management and Accounting from Central University of Iowa and is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA) and a Series 27 Financial/Operations Principal.

Head of  
Technology &  
Innovation at  
PNC Financial  
Services Group,  
Inc.  
Age: 60  
Director since:  
2019  
Independent

**Skills and Qualifications:** Financial services experience; information technology; international business; public company management experience.

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CONTINUING DIRECTORS

To Continue in Office Until 2020

Arnoud W.A. Boot

Business Experience: Mr. Boot is a professor of Corporate Finance and Financial Markets at the University of Amsterdam and member of the Royal Netherlands Academy of Arts and Sciences (KNAW). Mr. Boot is chairman of the Bank Council of the Dutch Central Bank (DNB), member of the Scientific Council for Government Policy (WRR) and chairman of the European Finance Association. He is also a research fellow at the Centre for Economic Policy Research in London. Prior to his current positions, he was chairman of the Royal Netherlands Economics Association (2006-2014), member of the Inaugural Advisory Committee of the European Systemic Risk Board (ESRB, 2011-2015), and a faculty member at the J.L. Kellogg Graduate School of Management at Northwestern University in Chicago. During 2000-2001 he was a partner in the Finance and Strategy Practice at McKinsey & Co.

Professor of Corporate Finance and Financial Markets at the University of Amsterdam and Director of the Amsterdam Center for Law & Economics

Skills and Qualifications: Management and business consulting experience; corporate finance; investments; risk management; international business, markets and operations

Age: 59

Director since: 2009

Independent

John F. Danahy

Business Experience: Mr. Danahy was previously the Chairman and Chief Operating Officer of May Merchandising Company and May Department Stores International, subsidiaries of The May Department Stores Company (MDSC). Mr. Danahy served in various positions within MDSC for 38 years until his retirement in 2006. Mr. Danahy previously served as corporate-wide Senior Vice President of Information Technology and as Chairman and Chief Operating Officer of The Famous-Barr Co. for five years. Mr. Danahy has an Executive Master of Business Administration degree from the Olin Business School at Washington University in St. Louis.

Retired Chairman and Chief Operating Officer of May Merchandising Company and May Department Stores International

Skills and Qualifications: Information technology; international business; management and business experience; public company management experience

Age: 72

Director since: 2009

Independent

J. Cliff Eason (Chair)

Business Experience: Mr. Eason is Chairman of the Company's Board of Directors and was President and CEO of Southwestern Bell Telephone, SBC Communications, Inc. ("SBC") from September 2000 through January 2001. Mr. Eason previously served as President, Network Services from 1999 through 2000; President, SBC International, from



1998 until 1999; President and CEO of Southwestern Bell Telephone Company ("SWBTC") from 1996 until 1998; President and CEO of Southwestern Bell Communications, Inc. from 1995 through 1996; President of Network Services of SWBTC from 1993 through 1995; and President of Southwestern Bell Telephone Company of the Midwest from 1992 to 1993. He held various other positions with SBC and its subsidiaries prior to 1992. Mr. Eason was a director of Williams Communications Group, Inc. until his retirement in January 2001. Mr. Eason served as a director of Mercantile Bankcorp from 1993 to 1995.

Retired President and CEO  
of Southwestern Bell  
Telephone, SBC  
Communications, Inc.  
Age: 71  
Director since: 1993  
Independent

Skills and Qualifications: Information technology; international business; management and business experience; public company management experience

To Continue in Office Until 2021

Patricia L. Guinn

**Business Experience:** Ms. Guinn was the Managing Director of Risk and Financial Services and a member of the executive leadership team at Towers Watson from 2010 until her retirement in 2015. Previously, she served as a Member of the Board and the Managing Director of Risk and Financial Services at Towers Watson's predecessor company, Towers Perrin. Overall, she has over 39 years of experience in the insurance industry. Ms. Guinn is a member of the board of directors of Allied World Assurance Company Holdings AG, an Association Member of BUPA, a board member of the International Insurance Society, and previously served on the board of the Actuarial Foundation. Additionally, Ms. Guinn is a member of the nominating committee and a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, where she serves on the Financial Regulatory Task Force, and also a Chartered Enterprise Risk Analyst.

Retired Managing  
Director of Risk and  
Financial Services at  
Towers Watson  
Age: 63  
Director since: 2016  
Independent

**Skills and Qualifications:** Experience as a senior executive at a global consulting company and as a board member of a global insurance company; risk management; actuarial; mergers and acquisitions; financial analysis and performance measurement for insurance companies

Frederick J. Sievert

**Business Experience:** Mr. Sievert was President of New York Life Insurance Company from 2002 through 2007. Mr. Sievert shared responsibility for overall company management in the Office of the Chairman from 2004 until his retirement in 2007. He joined New York Life in 1992 as Senior Vice President and Chief Financial Officer. In 1995, he was promoted to Executive Vice President and was elected to the Board of Directors in 1996. In addition, he was President and a member of the board of New York Life Insurance and Annuity Corporation, served as Chairman of the Board of NYLIFE Insurance Company of Arizona, and served on the Board of Directors for Max New York Life, the company's joint venture in India, Siam Commercial New York Life, the joint venture in Thailand and the company's South Korea operation. Prior to joining New York Life, Mr. Sievert was a senior vice president for Royal Maccabees Life Insurance Company, a subsidiary of the Royal Insurance Group of London, England. Mr. Sievert currently serves as a director of CNO Financial Group, Inc.

Retired President of  
New York Life  
Insurance Company  
Age: 71  
Director since: 2010  
Independent  
Stanley B. Tulin

**Skills and Qualifications:** Experience as an executive officer of a major U.S.-based life insurance company with international operations; life insurance business and insurance regulation; investments; risk management

**Business Experience:** Mr. Tulin joined AXA Equitable in 1996 as Senior Executive Vice President and CFO. He served on the AXA Group Executive Committee from 2000 through 2006. Following his retirement in 2006, Mr. Tulin consulted for AXA Financial, Inc. for five years. In his position at AXA, he gained extensive experience in acquisitions and divestitures, consolidated risk management and financial communications. In 1998, he was named Vice

Chairman and a director of AXA Equitable, while remaining CFO of AXA Financial. Prior to that position, he was Executive Vice President and CFO of AXA Financial. Prior to joining AXA Equitable, Mr. Tulin served as Co-Chairman of Coopers & Lybrand's Insurance Industry Practice group and was part of the Actuarial and Strategic Planning Group at Milliman & Robertson, Inc. for 17 years. Mr. Tulin is a fellow of the Society of Actuaries and a member of the American Academy of Actuaries.

Retired Vice  
Chairman and CFO  
of AXA Financial,  
Inc. and its principle  
insurance subsidiary,  
AXA Equitable Life  
Insurance Company

Skills and Qualifications: Experience as an executive officer of a major global financial services company; risk management, actuarial and mergers and acquisitions consulting experience; life insurance business; insurance regulation

Age: 69  
Director since: 2012  
Independent

## DIRECTOR QUALIFICATIONS AND NOMINATION

### Qualifications of Directors

The Board of Directors is made up of twelve individuals, each with a valuable core set of skills, talents and attributes that make them appropriate for our Company's Board as a whole. When searching for new Board candidates, the Nominating and Governance Committee considers the evolving needs of the Company's global business and searches for Board candidates who fill any current or anticipated future needs or gaps in skills, experience and overall Board composition. As determined by our Board and the Nominating and Governance Committee, all of our directors and director candidates possess the following qualifications:

### DIRECTOR QUALIFICATION CRITERIA

Director Qualification	Description
Financial Literacy	Directors and candidates should be "financially literate" as such qualification is interpreted by the Board in its business judgment.
Leadership Experience	Directors and candidates should possess significant leadership experience, such as experience in business, finance/accounting, financial services regulation, education or government, and shall possess qualities reflecting a proven record of accomplishment and ability to work with others.
Commitment to Our Values	Directors and candidates should be committed to promoting our financial success and preserving and enhancing our business and ethical reputation, as embodied in our codes of conduct and ethics.
Absence of Conflicting Commitments	Directors and candidates should not have any conflicts of interest or other commitments that would prevent such director from fulfilling the obligations of a director.
Reputation and Integrity	Directors and candidates should be of high repute and recognized integrity and not have been convicted in a criminal proceeding (excluding traffic violations and other minor offenses). Such person will not have been found in a civil proceeding to have violated any federal or state securities or commodities law and will not be subject to any court or regulatory order or decree limiting his or her business activity, including in connection with the purchase or sale of any security or commodity.
Knowledge and Experience	Directors and candidates should possess knowledge and experience that will complement that of other directors and promote the creation of shareholder value.
Other Factors	Directors and candidates should have other characteristics considered appropriate for membership on the Board, including an understanding of marketing and finance, sound business judgment, significant experience and accomplishments and educational background.

Other areas of expertise or experience are desirable given our Company's global reinsurance business and operations and the current make-up of the Board, such as expertise or experience in: life insurance, financial services, information technology, international markets, operations, capital markets, investments, banking, risk management, public company service and actuarial science. The process undertaken by the Nominating and Governance Committee in recommending qualified director candidates is described under "Shareholder Nominations and Proxy Access."

All of our directors bring significant executive leadership derived from their careers and professions. When considering whether our current directors have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board of Directors to satisfy its oversight responsibilities effectively in light of the Company's business and structure, the Nominating and Governance Committee and the Board of Directors focuses primarily on the information discussed in each of the director's individual biographies described above.

#### Shareholder Nominations and Proxy Access

As described in our Corporate Governance Guidelines, the Nominating and Governance Committee will consider shareholder nominations for directors who meet the notification, timeliness, consent and information requirements of our Articles of Incorporation and Bylaws.

On April 20, 2018, the Board adopted and approved amendments to the Company's Amended and Restated Bylaws (the "Bylaws") to implement proxy access. These amendments added a new provision that permits a shareholder, or a group of up to 20 shareholders, owning at least three percent of the Company's outstanding stock continuously for at least three years to nominate and include in the Company's annual meeting proxy materials director nominees constituting up to the greater of two directors or twenty percent of the members of the Board; provided that the shareholders and nominees satisfy the requirements specified in the Bylaws.

The Committee makes no distinctions in evaluating nominees for positions on the Board based on whether or not a nominee is recommended by a shareholder, provided that the procedures with respect to nominations referred to above are followed. Potential candidates for nomination as directors must provide written information about their qualifications and participate in interviews conducted by individual Board members, including the Board chair and relevant committee chairs. Candidates are evaluated using the criteria adopted by the Board to determine their qualifications based on the information supplied by the candidates and information obtained from other sources. The Nominating and Governance Committee will recommend candidates to the Board for election as directors for approval, only if the Committee determines, in its judgment, that they have the specific minimum qualifications described above.

In order for a shareholder to nominate a candidate for director under our Articles of Incorporation and Bylaws, timely notice of intent to nominate and all requisite information must be given to us in advance of the meeting. Such notice must be given not less than 120 nor more than 150 days prior to the anniversary of the date we commenced mailing of our proxy materials in connection with our most recent annual meeting of shareholders.

The shareholder filing the notice of nomination must describe various matters as specified in our Articles of Incorporation and Bylaws, including such information as name, address, occupation and all direct and indirect ownership interests, derivative interests, short interests, other economic incentives and rights to vote any shares of any security of the Company and other material interests in the Company. Shareholders nominating directors must disclose: the same information about a proposed director nominee that would be required if the director nominee were submitting a proposal; any other information that would be required to be disclosed in a proxy statement in a contested election pursuant to the Securities Exchange Act of 1934; any material relationships between the shareholder proponent and the director nominees; and, at the Company's request, any other information that would enable the Board to determine a nominee's eligibility to serve as a director, including information relating to the proposed nominee's independence or lack thereof.

#### DIRECTOR COMPENSATION

The Compensation Committee reviews director compensation periodically and recommends changes to the Board, when it deems appropriate, based on a variety of factors, including guidance and market information provided to the Committee by Steven Hall & Partners ("SH&P"), an independent compensation consultant. The Committee also reviews the responsibilities of directors generally, the responsibilities of Board and committee chairs, best practices and market research. The Board reviews the recommendations of the Compensation Committee and provides final approval for the form and amount of director compensation. Directors who also serve as employees of the Company do not receive payment for services as a director.

Beginning in 2015, the Compensation Committee began reviewing and setting director compensation on a triennial basis. The Compensation Committee uses an approach which aims to align director compensation with a projected median level of director pay for those companies in our Pay Level Peer Group on a forward-looking basis. Our Pay Level Peer Group is comprised of companies based on industry and size that are appropriate comparators for purpose of evaluating the competitiveness of our pay levels. The selected companies are publicly-traded insurers and reinsurers (life, health and property-casualty), including direct competitors.

The Compensation Committee carefully reviewed all presented data and discussed various compensation approaches. Upon the recommendation of SH&P, the Compensation Committee recommended and the Board approved director compensation for the 2015-2017 triennial period at an amount near the projected median of the then-current Pay Level Peer Group for the middle of the triennial period (2016). This approach resulted in a slight overpayment as compared to the peer group in the first year after enactment (2015), which was offset by a slight underpayment as compared to the peer group in the third year (2017). The average level of director compensation over the triennial period was the same as the median benchmark of the Pay Level Peer Group.

In October 2017, near the end of the first triennial period, the Committee and SH&P reevaluated the Company's director compensation program and reviewed available market data. Our director compensation package was reviewed against the compensation received by directors at the ten companies listed in our Pay Level Peer Group at that time. SH&P advised the Committee that the Company's director compensation program was aligned with current best practices, with director compensation positioned near median of the Pay Level Peer Group for all chair and non-chair positions. The Company's director compensation program was also aligned with best practices by allocating a majority of director compensation in the form of equity, with our cash/equity mix weighted slightly more toward stock compared to director compensation of the companies in the Pay Level Peer Group.

Based on recommendations from SH&P for 2018-2020 director compensation, the Compensation Committee approved a continuation of the triennial approach, which aims to align director compensation with projected median levels of the companies in the Pay Level Peer Group during the second year of the triennial period. SH&P analyzed director compensation programs and pay levels among the 200 largest public companies based in the United States over the prior three-year period. The Compensation Committee recommended and the Board subsequently approved 2018-2020 director compensation using the same triennial methodology approved in 2015. The Committee targeted director compensation during the second year of the triennial period (2019) at a level near the median of the Pay Level Peer Group at that time. This approach resulted in slight overpayment as compared to the peer group in the first year after enactment (2018), which should be offset by anticipated underpayment as compared to the peer group in the third year (2020).

Information regarding the retention of SH&P can be found under "Compensation Discussion and Analysis - Executive Compensation Process - Compensation Consultant." Information regarding the Pay Level Peer Group companies used in October 2017 to set 2018-2020 director compensation can be found under "Compensation Discussion and Analysis - Executive Compensation Process - Competitive Marketplace Assessment" in our 2018 Proxy Statement. For more information on our current Pay Level Peer Group and how it is determined, see "Compensation Discussion and Analysis - Executive Compensation Process - Competitive Marketplace Assessment."

#### 2018 Director Compensation

During 2018, Ms. Manning was the only director employed by the Company, and the other directors were not employees of our Company or any subsidiary ("non-employee directors"). During 2018, compensation to our non-employee directors consisted of the following elements:

2018 DIRECTOR  
COMPENSATION  
STRUCTURE

Annual

Retainer

Chairman

of  
\$215,000  
the

Board

All

other  
\$115,000  
independent

directors

Committee

Chair

Additional

Retainer

Audit

~~\$27,500~~tee

Chair

Compensation

~~\$22,500~~tee

Chair

Finance,

Investment

and

~~\$22,500~~

Management

Committee

Chair

Nominating

and

~~\$22,500~~nce

Committee

Chair

Subgroup

Member

Retainer

Transaction

~~\$10,000~~

Subgroup

Technology

~~\$10,000~~  
Subgroup

Annual

Stock

Grants<sup>1</sup>

Chairman

of  
\$280,000  
the

Board

All  
 other  
 \$150,000  
 independent  
 directors

<sup>1</sup>Number of shares issued is based upon the fair market value of the stock on the date of the grant.

We also reimburse directors for reasonable out-of-pocket expenses incurred in connection with attending and participating in Board and Committee meetings and director education programs.

#### 2018 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash <sup>1</sup>	Stock Awards <sup>2</sup>	All Other Compensation <sup>3</sup>	Total
Arnoud W.A. Boot	\$152,500	\$150,077	'---	\$302,577
John F. Danahy	\$147,500	\$150,077	'---	\$297,577
Christine R. Detrick	\$125,000	\$150,077	\$2,624	\$277,701
J. Cliff Eason	\$215,000	\$279,987	\$4,067	\$499,054
John J. Gauthier	\$57,500	\$75,018	\$5,286	\$137,804
Patricia L. Guinn	\$115,000	\$150,077	\$4,259	\$269,336
Alan C. Henderson	\$147,500	'---	\$5,082	\$152,582
Hazel M. McNeilage	\$57,500	\$75,018	'---	\$132,518
Frederick J. Sievert	\$147,500	\$150,077	\$8,923	\$306,500
Stanley B. Tulin	\$125,000 <sup>4</sup>	\$150,077	\$5,577	\$280,654

<sup>1</sup> This column reflects the retainer and fees earned in 2018 for Board and committee service. Payments for retainer and fees were paid net of taxes to Mr. Boot. The 2018 cash retainer was paid in January 2018.

<sup>2</sup> This column reflects: (i) the award of 960 shares (1,791 shares in the case of Mr. Eason and 672 shares in the case of Mr. Boot, whose stock was issued net of taxes) of common stock on February 23, 2018, at a closing market price of \$156.33 and (ii) the prorated award of 527 shares of common stock on August 1, 2018, at a closing market price of \$142.35 in the case of Mr. Gauthier and Ms. McNeilage. The shares were issued as part of the directors' annual compensation. Mr. Henderson elected to defer his stock awards under the Flexible Stock Plan for Directors into the Phantom Stock Plan for Directors.

<sup>3</sup> This column includes reimbursements to the directors for spousal travel expenses incurred in connection with attending the October meeting of the Board of Directors, which was held in one of the Company's global offices outside the United States. Under U.S. tax laws, the amount of such reimbursement for spousal travel must be



included on the Form 1099-MISC that is issued annually by the Company to each director. Directors are responsible for paying any taxes they incur because of the reimbursement for spousal travel expenses.

In lieu of receiving the annual cash retainer, Mr. Tulin is reimbursed for certain personal travel expenses he incurs to attend Board and committee meetings. Those expenses exceed the amount reimbursable under the Company's 4. travel expense reimbursement policy for directors. The net expense to the Company is approximately equal to the amount Mr. Tulin would have received if he was paid the annual retainer and reimbursed for travel as permitted in the travel expense reimbursement policy.

#### Director Stock Retention Policy

Our director stock retention policy provides that, subject to certain exceptions for tax obligations and estate planning purposes, a non-employee member of the Board of Directors may not transfer any shares of the Company's common stock which he or she received as compensation for service on the Board of Directors until the value of the total shares held by the director equals or exceeds five times the amount of the annual cash retainer paid to such director.

#### Directors' Phantom Shares

Non-employee directors may elect to receive phantom shares by deferring all or a portion of their annual compensation (including the stock portion). A phantom share is a hypothetical share of our common stock based upon the fair market value of the common stock at the time of the grant. Phantom shares granted prior to January 1, 2016 are not distributed until the director ceases to serve on the Board, at which time the Company will issue cash or shares of common stock in an amount equal to the value of the phantom shares. Effective January 1, 2016, directors may elect to receive distributions of deferred shares at retirement or five or seven years after retirement pursuant to a post-deferral election. Distributions can be either via shares or cash and may be paid as a single payment or in five substantially similar annual installments.

Since phantom shares can be distributed in cash instead of stock, they are not included as shares beneficially owned by the directors under the beneficial ownership table (page 65). Several directors have elected to participate in the deferral option and the following table illustrates their accumulated phantom share balance as of December 31, 2018:

#### PHANTOM SHARE OWNERSHIP

Name	Phantom Shares
J. Cliff Eason	30,240
Patricia L. Guinn	1,869
Alan C. Henderson	4,691
Frederick J. Sievert	2,645

## CORPORATE GOVERNANCE

### OVERVIEW

RGA is a values-based company. Our values guide our behavior at every level and apply across the Company on a global basis. We expect all directors, officers and employees to conduct business in compliance with the guidelines described below and we survey compliance with these policies on an annual basis.

#### Governance Guidelines and Charters

We have adopted the following governance policies and guidelines:

- Principles of Ethical Business Conduct, which applies to all employees and officers of the Company and its subsidiaries;
- Directors' Code of Conduct, which applies to directors of the Company and its subsidiaries;
- Financial Management Code of Professional Conduct, which applies to our President and Chief Executive Officer, Chief Financial Officer, Corporate Controller, primary financial officers in each business unit and all professionals in finance and finance-related departments.

We intend to satisfy any disclosure obligations under Item 5.05 of Form 8-K by posting on our website information about amendments to, or waivers from, any provision of the Financial Management Code of Professional Conduct that applies to our President and Chief Executive Officer, Chief Financial Officer or Corporate Controller.

The Board of Directors has adopted Corporate Governance Guidelines and charters for the Audit, Compensation, Finance, Investment and Risk Management and Nominating and Governance Committees.

#### Director Independence

In accordance with the Corporate Governance Guidelines, the Board undertook reviews of director independence in February 2018 and February 2019. During these reviews, the Board received a report from the Company's General Counsel noting that there were no transactions or relationships between the Company or its subsidiaries and any of the non-employee directors, nor any member of such director's immediate family. The purpose of this review was to determine whether any of those directors had a material relationship with the Company that would preclude such director from being independent under the listing standards of the New York Stock Exchange ("NYSE") or our Corporate Governance Guidelines.

As a result of this review, the Board affirmatively determined, in its judgment, that each of the non-employee directors are independent of the Company and its management under the applicable standards. In 2018, only Ms. Manning, our President and Chief Executive Officer, was not an independent director.

#### Board Diversity

The Board believes that it is essential that directors represent diverse perspectives, skills and experience. When evaluating the various qualifications, experiences and backgrounds of Board candidates, the Board reviews and discusses many aspects of diversity such as gender, race, national origin, education, professional experience, geographic representation and differences in viewpoints and skills. To the extent possible, director recruitment efforts include several of these factors and the Board strives to recruit candidates that enhance the Board's diversity.

Board Leadership Structure

In recognition of the differences between the two roles and in order to maximize effective Board leadership, our Company has separated the position of Chief Executive Officer ("CEO") and Chairman of the Board since we became public in 1993. The CEO is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the Chairman of the Board provides guidance to the CEO, sets the agenda for Board meetings, presides over meetings of the full Board and presides at the regularly scheduled executive sessions of the independent directors.

The Board's Role in Risk Oversight

The Board has an active and ongoing role, as a whole and also at the committee level, in overseeing management of the Company's risks. The following table summarizes each committee's responsibilities regarding risk oversight.

RISK OVERSIGHT

Committee

of the Board	Areas of Risk Oversight	Additional Information
Audit	Accounting and financial reporting risk, ethics and compliance matters	Reviews reports on ethics and compliance matters each quarter
Compensation	Risks relating to the Company's employee compensation policies, practices, plans and arrangements	Oversees the management of compensation risks, including executive retention
Financial	Financial risks, investment and risks and overall Risk Management	Reviews, monitors and, when appropriate, approves the Company's programs, policies and strategies relating to financial, investment and enterprise risks
Nominating and Governance	Risks and associated with the independence of the Board of Directors,	Oversees risks related to succession planning and board retention,

leadership refreshment  
development and  
and CEO development  
succession  
planning

While each committee is responsible for evaluating certain risks and overseeing the management of such risks, committee meetings are scheduled so that the entire Board of Directors (including directors who are not committee members) is able to participate in committee meetings and stay apprised of the risks monitored and discussed by each committee. In addition, each committee provides recommendations to the full Board as required or appropriate.

#### Risk Considerations in our Compensation Program

The Compensation Committee considers the risks associated with our compensation policies and practices with respect to both executive compensation and compensation generally. The Compensation Committee considers the Company's long-standing culture, which emphasizes incremental continuous improvement and sustained long-term shareholder value creation, and ensures that these factors are reflected in the design of the Company's compensations plans. Our compensation program is structured so that a considerable amount of our incentive-eligible employees' compensation is tied to the long-term health of the Company. We avoid the type of disproportionately large, annual incentives that could encourage employees to take risks that may not be in our shareholder's long-term interests and we weight our management's incentive compensation toward profitability and long-term performance. We believe this combination of factors encourages our executives and other employees to manage the Company in a prudent manner with a focus on increasing long-term shareholder value. Furthermore, as described in "Compensation Discussion and Analysis" below, the Compensation Committee may exercise full discretion and include subjective considerations in its incentive compensation decisions.

While a significant portion of our executive compensation plan is performance-based, we do not believe that our program encourages excessive or unnecessary risk-taking. Informed risk-taking is a fundamental and necessary part of our business, and our Compensation Committee focuses on aligning the Company's compensation policies with the Company's long-term interests and avoiding short-term rewards for management decisions that could pose long-term risks to the Company. The following policies and practices emphasize the Compensation Committee's focus on balancing risk with reward:

**Risk Balancing Practices and Policies**

	<p>Our Annual Bonus Plan ("ABP") is designed to reinforce our pay-for-performance culture by making a significant portion of management's annual compensation variable. ABP awards are based solely on Company results or on a combination of Company, business unit and/or individual performance. The ABP aligns annual cash bonus compensation with our short-term business strategies and the targets reflect our short-term goals for adjusted operating income per share, book value per share excluding accumulated other comprehensive income ("AOCI"), new business embedded value and annual adjusted operating consolidated revenue. The Compensation Committee sets award levels with a minimum level of performance that must be met before any payment can be made. To further ensure that there is not a significant incentive for unnecessary risk-taking, we cap the payout of these awards at 200% of the target.</p>
Annual Bonus Plan	
Performance Contingent Share Grants	<p>Our performance contingent share ("PCS") grants are a three-year performance-driven incentive program that reinforces our intermediate-term strategic, financial and operating goals. The Compensation Committee sets award levels with a minimum level of performance that must be met before any payment can be made. To further ensure that there is not a significant incentive for unnecessary risk-taking, we cap the payout of these awards at 200% of target.</p>
Stock Appreciation Rights	<p>For grants in 2018 and after, we measure performance for the PCS grants based 33.5% on Three-Year Adjusted Operating Return on Equity, 33.5% on Three-Year Adjusted Operating Income and 33% on Three-Year Book Value Per Share, excluding AOCI. We believe that Stock Appreciation Rights ("SARs") provide the most appropriate vehicle for providing long-term value to management because of the economic tie to shareholder value. We believe annual grants of SARs allow us to reward the achievement of long-term goals and are based on our desire to achieve an appropriate balance between the overall risk and reward for short, intermediate and long-term incentive opportunities. The vesting schedule for SARs grants is four years, 25% of which vests at the end of each year. Upon vesting, the SARs are settled in the equivalent value of unrestricted shares of common stock. Our share ownership guidelines require members of senior management to hold a specified number of shares of Company stock which is based on a multiple of base salary tied to the level of their role and responsibility in the organization.</p>
Share Ownership Guidelines	
Executive Incentive Recoupment Policy	<p>Share ownership requirements ensure that our senior management has a significant amount of value tied to long-term holdings in Company stock and align their interests with those of our shareholders.</p>
	<p>Our Executive Incentive Recoupment Policy permits the Company to recoup all or a portion of incentive awards paid to certain executives upon the occurrence of certain recoupment events. Such events include: (i) a financial restatement due to the material noncompliance with any financial reporting requirement under the federal securities laws; (ii) receiving an incentive award based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria; (iii) causing injury to the interests or business reputation of the Company or of a business unit whether due to violations of law, regulatory sanctions or otherwise and (iv) a material violation of the Company's Principles of Ethical Business Conduct.</p>

The Compensation Committee has express authority to interpret and administer the policy, implement various remedies based on the circumstances triggering the recoupment and make all determinations with respect to the policy in its sole discretion.

Combination of  
Performance  
Metrics

We use a combination of performance metrics in determining our executives' performance-based compensation that motivate our executives to achieve performance that is in line with the best interests of the Company and our shareholders.

By using a variety of performance metrics in our Annual Bonus Plan and our intermediate and long-term performance programs, we mitigate the risk that our executives would be motivated to pursue results with respect to one performance measure to the detriment of the Company as a whole.

Independent  
Compensation  
Consultant

The Compensation Committee benefits from its use of an independent compensation consulting firm which provides no other services to the Company.

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### Communications with the Board of Directors

The process for communicating with the Board requires that the General Counsel make a record of the receipt of any such communications. All properly addressed communications will be delivered to the specified recipient(s) not less than once each calendar quarter and will not be directed to or reviewed by management prior to receipt by such person.

### Board Meetings

The Board of Directors held a total of eight meetings during 2018. Each director attended at least 75% of the meetings of the Board and committees on which he or she served during 2018. We do not have a policy with regard to attendance by directors at the Annual Meeting of Shareholders. The Chairman of the Board attended the 2018 Annual Meeting of Shareholders.

### BOARD COMMITTEES

The Board of Directors has the following committees:

- Audit Committee;
- Compensation Committee;
- Finance, Investment and Risk Management Committee; and
- Nominating and Governance Committee.

The Board has also organized a sub-group of directors who meet periodically with members of Company management to discuss significant acquisition opportunities and a sub-group that discusses technological opportunities and advancements. Information about committee membership, independence, qualifications, roles and responsibilities is provided below.

### 2018 BOARD COMMITTEE MEMBERSHIP

Director	Independent Audit	Compensation	Finance, Investment and Risk Management	Nominating and Governance
Arnoud W.A. Boot	yes	chair	member	
John F. Danahy	yes	member chair		
Christine R. Detrick	yes	member		member
J. Cliff Eason	yes	member		member
John J. Gauthier	yes	member	member	
Patricia L. Guinn	yes	member	member	
Alan C. Henderson	yes		chair	member
Anna Manning	no			
Hazel M. McNeilage	yes	member		member
Frederick J. Sievert	yes	member		chair
Stanley B. Tulin	yes	member	member	
Number of Meetings in 2018	8	5	5	4

## AUDIT COMMITTEE

### Roles and Responsibilities

Responsible for the appointment, compensation, retention and oversight of the work of our independent auditor.

Oversees our accounting and financial reporting processes and policies and the integrity of our financial statements.

Supervises the adequacy of our internal controls over financial reporting and disclosure controls and procedures.

Pre-approves audit, audit-related and non-audit services to be performed by the Company's independent auditor.

Reviews reports concerning significant legal and regulatory matters.

Reviews the plans and performance of our internal audit function.

Reviews and discusses our filings on Forms 10-K and 10-Q, including the financial information in those filings.



Independence and  
Financial Literacy

The Board has determined that the members are "independent" within the meaning of SEC regulations applicable to audit committees and NYSE listing standards.

The Board has determined that all of the members have accounting and related financial management expertise within the meaning of NYSE listing standards.

The Board has determined that all the members are qualified as audit committee financial experts within the meaning of SEC regulations.

COMPENSATION  
COMMITTEE

Roles and Responsibilities

Establishes and oversees our general compensation and benefit programs.

Reviews and approves the performance and compensation of the CEO, other named executive officers and members of our senior management.

Sets performance measures and goals

and reviews the attainment of goals under performance-based incentive compensation plans.

#### Independence

The Board of Directors has determined, in its judgment, that all of the Committee's members are independent within the meaning of NYSE listing standards.

For purposes of its independence determination, the Board considered the enhanced independence standards for compensation committees under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 which are required by the SEC for the listing standards of national securities exchanges.

#### Interlocks and Insider Participation

The members of the Compensation Committee are not and have never been officers or employees of the Company or any of its subsidiaries. No directors or executive officers of our Company serve on the

compensation  
committee of  
another company of  
which a member of  
our Compensation  
Committee is an  
officer.

FINANCE,  
INVESTMENT AND  
RISK MANAGEMENT  
COMMITTEE

Roles and Responsibilities

Assists the Board  
in connection with  
its oversight  
responsibilities for  
the Company's risk,  
investment and  
finance policies,  
programs,  
procedures and  
strategies.

Reviews, monitors,  
and when  
appropriate,  
approves the  
Company's  
programs, policies  
and strategies  
relating to financial  
and investment  
risks and overall  
enterprise risk  
management  
Governance  
Guidelines.

Independence

The Board of  
Directors has  
determined, in its  
judgment, that all  
of the Committee's  
members are  
independent.

NOMINATING AND  
GOVERNANCE COMMITTEE

Roles and Responsibilities

Develops and implements policies and practices relating to corporate governance. Reviews and monitors implementation of our Corporate Governance Guidelines. Identifies individuals qualified to become members of the Board, consistent with the criteria established by the Board; develops and reviews background information on candidates for the Board; and makes recommendations to the Board regarding such candidates. Prepares and supervises the Board's annual review of director independence and the performance of self-evaluations conducted by the Board and committees. Oversees the succession planning process for our CEO, which includes reviewing

development  
plans for potential  
successors and  
development and  
periodic review of  
the Company's  
plans for CEO  
succession in  
various  
circumstances.

Evaluates  
potential internal  
and external  
successors for  
other executive  
and senior  
management  
positions.

Independence

The Board of  
Directors has  
determined, in its  
judgment, that all  
of the  
Committee's  
members are  
independent  
within the  
meaning of NYSE  
listing  
standards.

**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

We do not have any agreements, transactions or relationships with related persons such as directors, nominees, executive officers or immediate family members of such individuals. At least annually, we review all relationships between the Company and our directors and executive officers and their immediate family members to determine whether such persons have a direct or indirect material interest in any transaction with us. Our Global Legal Services staff is primarily responsible for developing and implementing processes and controls to obtain information from the directors, nominees and executive officers with respect to related person transactions. If such a transaction arose, our Global Legal Services staff would determine, based on the facts and circumstances, whether we or a related person has a direct or indirect material interest in the transaction. As required under SEC rules, related person transactions that are determined to be directly or indirectly material to us would be disclosed in the proxy statement or other SEC filings.

The Board has adopted a policy as part of its corporate governance guidelines that requires advance approval by the Board before any of the following persons knowingly enter into any transaction with the Company or any of our subsidiaries or affiliates through which such person receives any direct or indirect financial, economic or other similar benefit or interest. The individuals covered by the policy include any:

- director,
- nominee for director,
- executive officer,
- holder of more than 5% of our voting securities,

- immediate family member of such a person, as that term is defined in the policy,  
and  
• charitable entity or organization affiliated with such person or any immediate family member of such person.
- Transactions covered by the policy include any contract, arrangement, understanding, relationship, transaction, contribution or donation of goods or services, but excludes transactions with any charitable entity or organization affiliated with a director, nominee for director, executive officer, 5% security holder or any immediate family member of such a person if the amount involved is \$2,500 or less. At this time, the Company is not involved in any transactions that would be covered by this policy.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

Our Company and Board of Directors believe that creating long-term value for our shareholders implicitly requires enacting and executing business practices and strategies that, while delivering competitive returns, also take into account environmental, social and governance ("ESG") issues. Effectively addressing ESG issues is a key part of building a great company, and doing so means having strong governance, effective management systems and robust controls. We strive to govern the Company in a manner that recognizes environmental sustainability alongside our long-term operational goals and strategies. We understand that we have a responsibility to monitor and control our ecological impact and adopt best practices on environmental, social and governance issues that may have a material impact on corporate strategy, risks, opportunities or performance.

### Environment

The Company is committed to operating in an environmentally responsible manner and strives to be a good steward of the environment. Our headquarters, based in Chesterfield, Missouri, was constructed in 2014 in line with LEED Gold requirements. The building was designed to be highly energy efficient and includes a unique curtain wall system with ceramic fitting, state of the art HVAC system and a window shade system that automatically adjusts to solar demand changes. The sophisticated Building Automation System collects information from hundreds of data points, signaling potential inefficiencies or alarms, and automatically adjusts or overrides programmed system functions to optimize operations for maximum energy, economic and environmental efficiencies. The building also has a rain water collection system which utilizes bio-retention ponds that naturally filter and clean the water runoff from the site. In addition, the landscaping was designed with native grasses and plants to minimize the use of irrigation. Over the past few years we have undertaken a number of other initiatives that exemplify our commitment to the environment, reducing our paper consumption and implementing a robust recycling program.

### Social Impact

As a leading global life and health reinsurer, the way we operate, the work we do, and the support we provide to our local communities can all be traced to a desire to extend and improve the individual lives we touch, whether directly or through our business and community partners.

**Charitable Giving** - We embrace our responsibility as a corporate leader in the communities in which we live and work. The Company participates in charitable activities relevant to our business and linked to our mission, vision and values. The Company and its employees regularly contribute to local, national and regional non-profit organizations that promote health and well-being. A significant portion of those donations come from our Matching Gift Program, which enables employees to donate to the charity of their choice. We also encourage employee volunteerism, partnering with community service organizations to provide opportunities for employees to donate time and talents to assist neighbors in need.

**Industry Advancement** - We believe strongly in the power of shared knowledge. Our employees are known industry-wide for leadership in industry organizations. The Company regularly releases research to advance the understanding of risk and improve the actuarial, underwriting and claims disciplines.

The Company is a co-founder of the Longer Life Foundation ("LLF"), a non-profit corporation, which partners with Washington University in St. Louis. Each year, LLF provides grants to support innovative independent research by scientific, medical and public health experts working to make discoveries that will improve long-term mortality, enhance longevity and promote healthier lives. Since LLF's founding in 1998 the Company has provided grants supporting more than 100 research projects.

## Corporate Governance

We are a values-based company. Our values guide our behavior at every level and apply across the Company on a global basis. We believe that sound principles of corporate governance are a key element of our business, and the Board of Directors is deeply involved in providing continuing insight and clarity into our governance process. We expect all directors, officers and employees to conduct business in compliance with the various corporate governance documents and policies we have implemented and survey compliance on an annual basis.

**Governance Engagement with Shareholders.** As part of our ongoing shareholder engagement efforts, we proactively engage shareholders on specific corporate governance issues on a regular basis and as appropriate, and then consider their feedback when gauging whether any new governance proposals are necessary in order to ensure that the Company is in line with best practices.

Consistent with our approach of proactively engaging shareholders on corporate governance issues, in July 2017 we launched our first strategic shareholder engagement program with investors focused exclusively on key governance issues. We reached out to representatives holding over 50% of the outstanding shares of Company stock and engaged in dialogue with holders of 43% of our outstanding shares. The Board of Directors engaged a third party governance advisor to help facilitate the discussions and develop a strategic plan for addressing shareholder concerns.

These discussions with investors led to the Board proactively introducing the three corporate governance proposals adopted at last year's Annual Meeting of Shareholders, to ensure that the Company is in line with best governance practices: (i) giving shareholders the ability to amend the Company's bylaws; (ii) the declassification of the Board of Directors and (iii) the removal of the 85% supermajority voting threshold on certain provisions in the Articles of Incorporation.

For more information on our shareholder engagement program and efforts, see "Shareholder Engagement" below.

**Board Evaluations.** Consistent with corporate governance best practices, the Nominating & Governance Committee prepares and supervises the Board's annual review of director independence and the performance of self-evaluations conducted by the Board and committees. The 2018 self-assessment form emphasizes topics and issues that are timely and relevant to the Board, such as interactions among directors and board effectiveness. It is structured in two sections: an "inward-looking" section, in which directors respond to questions directly relating to their roles on the Board; and an "outward-looking" section, which involves questions relating to the Board as a whole.

After receiving the self-evaluations, our Chairman of the Board conducted individual interviews with each director to discuss their responses, recommendations and concerns. This also allows directors an opportunity to raise sensitive subject matter in discussions with the Chairman. The responses and the Chairman's findings were reported and discussed at the October 2018 Board meeting and any necessary actions or changes are being implemented.

## Responsible Investing

In addition to financial considerations and prudent diversification, we evaluate ESG criteria when making investment decisions. ESG factors are an integral part of our research, analysis, decision making and ongoing monitoring of each Company investment. We believe that good governance practices and a commitment to corporate responsibility can enhance investment opportunities and meaningfully affect investment performance. The Company also believes long-term sustainability concerns impact both investors and society and thus should be considered when making investment decisions. Incorporating ESG factors is core to understanding a company's long-term viability, profit potential and return on investment. These factors are key components of our investment research and decision making.



Enterprise-wide, our investment strategy follows the Principles of Responsible Investment (“PRI”), an initiative in partnership with the United Nations Environment Programme Finance Initiative and the UN Global Compact. As a signatory to the PRI, we have enacted a formal governance structure which aligns our investment processes and achievements with the overarching goals of the responsible investment movement. The Company is committed to tracking and monitoring our responsible investment performance and reporting our progress in responsible investment practices through the PRI investment managers’ disclosure framework.

#### Diversity and Inclusion

The Company is committed to fostering a culture that is inclusive, collaborative and compassionate. We believe our culture is one of the many reasons we were recognized by Forbes 2018 Global 2000: World’s Best Employers and Best Regarded Companies, among many other industry recognitions.

The Company continues its endeavor to cultivate an environment in which diverse experiences and perspectives are welcomed and employees feel comfortable and encouraged to discuss diversity and inclusion topics. Our diversity and inclusion initiatives are focused in four areas: (i) development of leadership capabilities to better enable an inclusive workplace; (ii) retaining and engaging our workforce; (iii) increasing diversity in the talent pipeline; and (iv) further embedding diversity and inclusion in our culture.

Many actions have been undertaken over the last year to improve diversity and promote inclusion within the Company, including:

- Diversity and inclusion is a key area of focus for our learning and development strategies. In 2018, we delivered Respect in the Workplace training to 81% of all employees globally with the remainder scheduled for 2019.

- Unconscious Bias training was also introduced with 23% global completion to date. 100% of global employees completed our Code of Conduct training including our commitment to diversity and inclusion.

- We published our global pay equity study results and piloted formal career discussions between managers and employees in the U.S.

We are committed to creating a workplace that reflects a broad range of diverse characteristics. Talent acquisition teams have partnered with local HR teams around the world to increase our presence at universities and industry events that focus on diverse hiring. To develop diverse talent pools we invest our efforts with organizations and activities where we can reach a spectrum of applicants such as participating in the International Institute of Black Actuaries Summit and, in Japan, the Dive In Festival for diversity & inclusion in insurance.

In addition to our internal initiatives to develop a diverse and inclusive culture, we are committed to giving back to our communities. We partnered with American Heart Association for Go Red Goes for STEM for the second year in a row to educate high school girls regarding opportunities in the industry and our Company, and partnered with Webster University for their globally broadcasted 2018 Diversity Conference.

We derive a great deal of strength from our globally diverse workforce. We have long been committed to cultivating work environments in which all of our employees can discuss diversity and inclusion and ensuring our businesses are representative of the communities we serve. We will continue to prioritize our efforts in creating and sustaining a culture of diversity and inclusion, both in our workplace and in the communities where we do business.

#### SHAREHOLDER ENGAGEMENT

Fostering long-term and institution-wide relationships with shareholders and maintaining their trust and goodwill is a core objective. We are committed to engaging in constructive and meaningful dialogue

with our shareholders. We value shareholder views and insights and believe that positive, two-way dialogue builds informed relationships that promote transparency and accountability.

In order to ensure that our Board and management understand and address the issues that are important to our shareholders, the Company has an ongoing proactive practice of discussing issues such as corporate strategy and financial performance, governance, executive compensation, social and environmental concerns, as well as other important topics with significant shareholders. Such discussions usually include our President and CEO, Chief Financial Officer, Investor Relations Officer and other key members of management. We conduct these meetings in person, via teleconference or one-on-one at conferences throughout the year, or in connection with our annual Investor Day. Feedback and input from our shareholders is formally reported to the Board of Directors on a quarterly basis.

#### POLITICAL CONTRIBUTIONS

We have established policies and procedures governing the political activities of the Company and our political action committee. Due to our position as a leading U.S.-based reinsurer in the global life and health reinsurance industry, we actively follow state, federal and international legislation. On both the state and federal levels, we actively participate in lobbying in the interest of protecting the rights of reinsurance companies and in the pursuit of staying competitive in the international market. Internationally, we work with our trade associations to follow and address issues regarding market access and trade, data transfer and other issues that impact the manner in which we do business in foreign jurisdictions.

Like many large organizations, we have a federal political action committee, created and administered under applicable federal law. Our Missouri operating company, RGA Reinsurance Company, sponsors the Reinsurance Group of America Federal Political Action Committee ("RGA PAC"), a non-partisan PAC formed under the federal election laws, which makes contributions to individual candidates pursuant to federal election laws. In appropriate circumstances the RGA PAC may also make contributions to the federal political action committees of trade associations. All contributions are made with the Company's strategic goals in mind and are intended to support candidates who support issues important to the Company and our clients.

The board of the RGA PAC is comprised of Company employees who are members of the RGA PAC. The PAC board regularly reviews the Company's political and lobbying policies and reports of political contributions. The PAC board is advised of the Company's ongoing political strategy as it relates to overall public policy objectives for the next year and provides guidance to the RGA PAC. The RGA PAC files contributions and expenditure reports with the Federal Elections Commission, pursuant to federal regulations.

Under United States federal law, the Company may not contribute corporate funds or make in-kind contributions to candidates for federal office or to national party committees. In addition, our Principles of Ethical Business Conduct ensure that no Company funds or assets are used for any candidate or nominee for political office, or for any political party or committee, except in compliance with specific Company policies and all applicable laws and regulations. When permitted, the Company makes political contributions to insurance and reinsurance trade associations and individual candidates at the state level who understand the issues most important to us and our clients. We are generally not permitted to make political contributions to candidates for public office in foreign countries and therefore, we do not make any such contributions.

## COMPENSATION DISCUSSION AND ANALYSIS

Our executive compensation program is designed to attract and retain senior level employees who direct and lead our business and to appropriately reward these individuals for their contribution to the business. Our Board of Directors has delegated to the Compensation Committee the authority to establish and oversee our general compensation program, review the performance and approve the compensation of our Chief Executive Officer and review and approve the compensation of the other named executive officers and members of our senior management. The Compensation Committee also reviews and approves this Compensation Discussion and Analysis (this "CD&A") regarding executive compensation for inclusion in this Proxy Statement. During 2018, the Compensation Committee consisted of Messrs. Danahy (Chairman), Eason, Sievert and Tulin and Ms. Detrick.

The discussion of our compensation practices and related disclosures focus on the compensation of our named executive officers. This discussion is divided into the following sections:

### Compensation Disclosure Sections

Overview	page <u>22</u>
Five Elements of Compensation	page <u>29</u>
Executive Compensation Process	page <u>38</u>
2018 Compensation Actions and Results	page <u>41</u>
Executive Compensation Tables	page <u>47</u>
Other Executive Compensation Matters	page <u>53</u>

### OVERVIEW

#### 2018 NAMED EXECUTIVE OFFICERS

Name	Title
Anna Manning	President and Chief Executive Officer
Todd C. Larson	Senior Executive Vice President, Chief Financial Officer
Alain P. Néemeh	Senior Executive Vice President, Chief Operating Officer
John P. Laughlin	Executive Vice President, Global Financial Solutions
Timothy T. Matson	Executive Vice President, Chief Investment Officer

### Our Compensation Philosophy and Objectives

The philosophy and objectives of our executive compensation programs are to:

- Create incentives that will focus executives on, and reward for, increasing long-term shareholder value;
- Reinforce our pay for performance culture by making a significant portion of compensation variable and based on Company and business unit performance;

• Align the long-term financial interests of our executives with those of our shareholders through equity-based incentives and by building executive ownership in the Company; and

• Provide competitive total compensation opportunities that will attract, retain and motivate high-performing executives.

We use financial performance measures that focus on adjusted operating revenue, new business embedded value, adjusted operating income per share, book value per share excluding accumulated other comprehensive income, adjusted operating return on equity, relative return on equity and adjusted operating revenue growth rate. Our annual bonus plan and performance contingent share program are tied to financial and adjusted operating performance metrics and our stock appreciation rights are tied to the performance of the Company's stock. This approach aligns our executive compensation program to our business strategies, reinforces our pay-for-performance culture by using variable compensation based on performance and aligns the long-term financial interests of our executives with the interests of our shareholders. For a more detailed discussion on and definitions of all our performance metrics, see "[Five Elements of Compensation](#)" and "[2018 Compensation Actions and Results](#)."

### Our Compensation Program and Governance Reflects Best Practices

We have designed our compensation program to drive performance toward achievement of our short, intermediate and long-term goals and to increase long-term shareholder value, while appropriately balancing risk and reward. Our Amended & Restated Flexible Stock Plan ("Flexible Stock Plan") provides for the grant of stock options, stock appreciation rights ("SARs"), net-settled stock options, restricted stock, restricted stock units, performance shares and other stock based awards, as well as cash awards, to our employees. We regularly review our program to incorporate best practices, including the following:

## What We Do

**Pay-for-Performance.** We have a pay-for-performance executive compensation structure that provides an appropriate mix of short, intermediate and long-term performance incentives, with emphasis on the creation of shareholder value. Our executive compensation is closely aligned with financial performance because the majority of the total compensation for our executives is earned only upon the achievement of corporate, business unit and/or individual performance goals. Other than base salary, we do not provide any fixed compensation.

**Use of Multiple Financial Performance Metrics.** Our incentive compensation programs utilize multiple financial performance metrics, including adjusted operating revenue, adjusted operating income, book value and new business embedded value for our Annual Bonus Plan and adjusted operating return on equity, adjusted operating income and book value per share excluding AOCI for our Performance Contingent Shares. These financial metrics are focused on performance and creation of long-term shareholder value.

**Compensation Benchmarking at Median.** The Compensation Committee reviews publicly available information of peer companies to evaluate how our named executive officers' compensation compares to executives in similar positions at other companies and considers that information when establishing compensation. In most markets, we align our executive compensation levels with the market median in order to retain current talent and attract new talent.

**Annual Shareholder "Say on Pay."** Because we value our shareholders' input on our executive compensation programs, our Board has chosen to provide shareholders with the opportunity each year to vote to approve, on a nonbinding, advisory basis, the compensation of the named executive officers in our proxy statement.

**Compensation Recoupment Policy.** We have an Executive Incentive Recoupment Policy which permits the Company to recoup all or a portion of an incentive award paid to certain executives upon the occurrence of a specified recoupment event, including a financial restatement. We have incorporated the provisions of this policy into our Flexible Stock Plan and award agreements.

**Stock Ownership Guidelines.** To further align the long-term interests of our executives and our shareholders, we have robust stock ownership requirements for our executive officers. For additional information, see "Stock Ownership - Executive Stock Ownership Guidelines."

**Independent Compensation Consultant.** The Compensation Committee benefits from its use of an independent compensation consulting firm which provides no other services to the Company.

**Compensation Committee Negative Discretion.** We give our Compensation Committee full discretion to reduce or eliminate any annual bonus plan incentive award.

**Programs Designed to Manage Dilution Efficiently.** We design our long-term incentive programs to manage dilution through the use of stock settled stock appreciation rights and net-settled options.

**Shareholder Value.** We design our equity compensation programs to appropriately balance short, medium and long-term focus on key drivers of shareholder value creation.

## What We Don't Do

**No Employment Contracts.** We do not have any employment or contractual pre-employment severance agreements for our executives and we only offer limited benefits on termination of employment.

**Limited Perquisites.** We do not offer our executives personal benefit perquisites, such as aircraft, cars or apartments and we do not reimburse our executives for personal benefit perquisites such as club dues or other social memberships, except in some foreign countries where such perquisites are required to maintain a local competitive position.

**No Preferential Payments.** We do not pay preferential or above market returns on executive deferred compensation.

**Limited Benefits Upon Change in Control.** We have limited benefits upon change in control and our Flexible Stock Plan does not require that awards automatically accelerate upon a change in control.

**No Repricing of Grants.** Our Flexible Stock Plan prohibits repricing for underwater stock options and stock appreciation rights.

**No Golden Parachutes or Gross-Ups.** We do not have any golden parachute agreements or tax gross-ups for severance payments with our executives.

X

No Speculative Trading. Our Insider Trading Policy prohibits employees and directors from short-selling Company securities, and strongly discourages the use of margin accounts, standing and limit orders or any other transaction where there is no control over the timing of purchases or sales which could result in a trade occurring at a time when the employee is aware of material non-public information or otherwise not permitted to trade.

No Unapproved Hedging. Our Insider Trading Policy prohibits employees and directors from engaging in hedging or monetization of Company securities, which can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Exemptions to this general prohibition may be sought from the General Counsel on a case-by-case basis and are subject to pre-clearance.

X Pledging Discouraged. Our Insider Trading Policy strongly discourages employees and directors from holding Company securities in a margin account or otherwise pledging Company securities as collateral for a loan.

Say on Pay Feedback from Shareholders

A primary focus of our Compensation Committee is whether the Company's executive compensation program serves the best interests of the Company's shareholders. At the Company's 2018 Annual Meeting, a significant majority (98% of votes cast on the proposal) of our shareholders approved the compensation program described in the proxy statement for that meeting. This is consistent with our shareholder feedback at our previous annual meetings:

Annual Meeting Year Percentage of Votes Cast in Favor of "Say on Pay"

2018	98%
2017	98%
2016	98%
2015	98%
2014	97%
Five Year Average	98%

As part of its ongoing review of our executive compensation program, the Compensation Committee took the votes into consideration, along with an overall review of the compensation program, when making compensation decisions for 2018 and 2019. The Compensation Committee determined that the Company's executive compensation philosophy, objectives and elements continue to be appropriate.

Five Elements of Compensation

Our executive compensation program consists of the following five elements:

Element of Compensation	Purpose
1. Base Salary	Our base salaries are designed to provide a competitive component of the total compensation package that will attract, retain and motivate high-performing executives. Adjustments to base salary are made periodically to recognize competitive changes, personal performance or change in position or responsibilities.
2. Annual Bonus Plan	Our Annual Bonus Plan ("ABP") awards are designed to reinforce our pay-for-performance culture and align incentive compensation with our short-term business strategies by making an executive's entire ABP award variable and based on Company, business unit and/or individual performance.
3. Performance Contingent Shares	Performance Contingent Shares ("PCS") are granted annually, and the number of PCS granted is based on the grant recipient's position within the Company. PCS awards are payable in Company common stock and payouts occur if we achieve the cumulative operating return on certain measures over a three-year period.
4. Stock Appreciation Rights	Stock Appreciation Rights ("SARs") are granted annually, and the number of SARs granted is based on the grant recipient's position within the Company. The vesting schedule for SARs grants is four years, 25% of which vests at the end of each of year. Upon vesting, SARs are settled in the equivalent value of unrestricted shares of common stock. Canadian executives receive net-settled stock options ("NSOs") in lieu of SARs to alleviate certain negative tax consequences for those individuals. SARs and NSOs are collectively referred to as "SARs."
5. Retirement and Pension Benefits	Our retirement and pension benefits are designed to provide a competitive level of post-employment income as part of a total rewards package that permits us to attract and retain key members of our management.
See "Five Elements of Compensation" (page 29) for additional information.	





### Compensation Pay Mix

The following graph demonstrates 2018 target compensation pay mix by elements for each of our named executive officers:

\*Calculation excludes pension and retirement benefits.

### Company Performance for 2018

We believe that our compensation philosophy and objectives have resulted in an executive compensation program that has appropriately incented our executives to achieve our business performance targets, goals and objectives. Our compensation decisions are intended to benefit our shareholders and drive long-term shareholder value. Summarized below are some key highlights of our financial performance for 2018:

- Our full-year total revenue was \$12.9 billion and net premiums totaled \$10.5 billion in 2018.
- Our full-year earnings per diluted share: net income \$11.00; adjusted operating income<sup>1</sup> \$12.12.
- Our full-year return on equity was 8.1% for 2018 and our full-year adjusted operating return on equity<sup>1</sup> was 10.3%.
- Book value per share at year-end 2018 was \$134.53 including accumulated other comprehensive income ("AOCI"), and \$124.39 excluding AOCI.<sup>1</sup>
- Our dividends for the year totaled \$2.20, an increase of 20 percent over the prior year.

For additional information on our 2018 financial performance, see our 2018 Annual Report on Form 10-K.

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

## How Our Performance Affected 2018 Compensation

Our emphasis on pay for performance and the alignment of compensation with the creation of long-term shareholder value means that a significant portion of the compensation paid to our executives varies based on our corporate performance. Our financial results are reflected in our 2018 compensation payments, as described below.

**Annual Bonus Plan.** Annual Bonus Plan payouts for the named executive officers were based on an allocation to Company-specific financial performance metrics: adjusted operating income per share, book value per share excluding AOCI, new business embedded value and adjusted operating revenue. Ms. Manning had an ABP allocation solely based on overall Company financial results. ABP payouts for Messrs. Larson and Néemeh were based on overall Company financial results and individual performance. Messrs. Laughlin and Matson had ABP allocation based on overall Company financial results and business unit results (Global Financial Solutions and Investments, respectively), as well as individual performance. The weighted average of the Company-specific ABP financial performance metrics for 2018 performance was 87.3% of target.

## ABP COMPANY-SPECIFIC PERFORMANCE METRICS

Metric	Weight	Target	2018 Result	Percentage of Target Payout
Adjusted Operating Income Per Share <sup>1</sup>	50%	\$12.68/share	\$12.12/share	68.5%
Book Value Per Share Excluding AOCI <sup>1</sup>	25%	\$126.35/share	\$124.39/share	84.5%
New Business Embedded Value	15%	\$525 million	\$616.2 million	139.5%
Adjusted Operating Revenue <sup>1</sup>	10%	\$12.8 billion	\$12.9 billion	109.4%
Weighted Average				87.3%

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

**Performance Contingent Share Program.** For the 2016-2018 PCS performance period, payouts are based on the following metrics: (i) three-year adjusted operating return on equity; (ii) three-year relative return on equity; and (iii) three-year adjusted operating revenue growth rate. Our three-year adjusted operating return on equity performance and adjusted operating revenue growth rate for the period resulted in payouts of 119.0% and 200.0% of target, respectively. The relative return on equity measure is dependent upon publicly available financial results from our peer companies. Because of the timing for the availability of this information our performance for the relative return on equity metric will not be approved by the Compensation Committee until late April 2019. Payments for the 2016-2018 PCS grants will not be made until May 2019, after the filing of this Proxy Statement.

## 2016-2018 PCS PERFORMANCE METRICS

Metric	Weight	Target	2018 Result	Performance Level
Three-Year Adjusted Operating Return on Equity <sup>1</sup>	33.5%	10.5%	10.9%	119.0%
Three-Year Relative Return on Equity	33.5%	50th Percentile	Our performance for the relative return on equity metric for the 2016-2018 PCS grants will not be available until late April 2019.	Our performance for the relative return on equity metric for the 2016-2018 PCS grants will not be available until late April 2019.
Three-Year Adjusted Operating Revenue Growth Rate <sup>1</sup>	33.0%	3.0%	8.6%	200.0%

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.



Considerations Made in Light of U.S. Tax Reform

Section 162(m) of the Internal Revenue Code ("IRC") limits the federal income tax deduction for annual individual compensation to \$1 million for the named executive officers ("NEOs"). Prior to U.S. Tax Reform, performance-based compensation was exempt from the limitation provided certain qualifications were met. Beginning in 2018 the performance based exemption was removed from the IRC, therefore subjecting all compensation to the \$1 million limitation. A transition rule exists for written binding contracts in effect on November 2, 2017 provided that the contracts are not materially modified after that date.

The Company's compensation programs were generally designed to qualify for this performance-based exception. To accomplish this, the Company previously asked shareholders to approve equity and incentive compensation plans that included limitations and provisions required to be included under Section 162(m). Now that the performance-based compensation exception is no longer available, the Company will no longer include Section 162(m)-related limitations or provisions or request shareholder approval for this purpose, and may not generally attempt to meet the requirements previously included in our plans related to the exception; however, the Company intends to avoid making modifications to the plans such that the transition rule applies.

## FIVE ELEMENTS OF COMPENSATION

### Compensation Elements

Our compensation program consists of the following five elements:

Compensation element	Purpose	How We Determine This Amount
1. Base Salary	Our base salaries establish a pay foundation at competitive levels as part of a total compensation package that will attract, retain and motivate talented executives.	The Compensation Committee considers our executives' base salary compensation compared to that of the Pay Level Peer Group and published surveys. The Compensation Committee also reviews the recommendations submitted by our Chief Executive Officer for the other named executive officers. Target awards for executives are based on competitive market pay data for their position and expressed as a percent of salary.
2. Annual Bonus Plan ("ABP")	Our ABP awards are designed to motivate and reward executives for performance on key financial, strategic and/or individual objectives over the year.	ABP awards for executives are based on annual Company results or on a combination of Company, business unit and individual performance results. Our ABP program utilizes multiple performance metrics. Overall Company adjusted operating income per share performance must meet certain minimum levels, as determined in advance by the Compensation Committee, before any awards are made. For awards granted prior to 2018, PCS performance payouts are based on the following measures: (i) three-year adjusted operating ROE; (ii) three-year Relative ROE; and (iii) three-year adjusted operating revenue growth rate.
3. Contingent Shares ("PCS")	Our PCS program is designed to focus executives on our strategic and intermediate-term financial and operating goals. PCS grants are awarded to eligible participants on an annual basis with each grant cycle running for three performance years.	For awards granted in 2018 and onward, PCS payouts are based on the following measures: (i) three-year adjusted operating return on equity, (ii) three-year adjusted operating income, all over the three-year performance period, and (iii) three-year book value per share, excluding AOCI.

The PCS grants are ongoing and each year a new three-year cycle begins, giving the Compensation Committee the opportunity to review and update performance measures for new grants.

The three-year performance and reward period shifts participant focus and effort toward intermediate and longer-term sustained results.

SARs are designed to align the interests of executives with our shareholders by focusing the executives on long-term objectives over a multi-year period, including stock price growth.

SARs are granted annually and are based on the recipient's position.

SARs vest over a period of four years (25% per year beginning on December 31 of the year granted until fully vested) and remain exercisable for up to 10 years from the award date. Upon vesting they are settled in the equivalent value of unrestricted shares of common stock.

Provided as another competitive component of the total compensation package that permits us to attract and retain key members of our management.

The Compensation Committee sets award levels with a minimum level of Company performance that must be met before any payment to the individual can be made, as well as a target and a maximum.

If we do not meet minimum performance goals, the awards will not be made, and if we exceed those performance goals, the award can be as much as 200% of the targeted award opportunity.

SARs are granted to executives at an award value divided by Black-Scholes' value of the Company's stock price on the date of grant.

The strike price for the SAR is determined by the Company's closing stock price on the award date.

Canadian executives receive non-qualified net-settled stock options ("NSOs") in lieu of SARs to alleviate certain negative tax consequences for those individuals. SARs and NSOs are collectively referred to as "SARs."

U.S. and Canadian retirement and pension benefits differ, but generally there are two types of plans:

Qualified plans are provided to eligible employees up to specified maximum amounts as determined by federal tax authorities.

Non-qualified plans are provided to eligible employees who earn compensation above the maximum amounts established by federal tax authorities.

Stock  
4. Appreciation  
Rights ("SARs")

5. Retirement and  
Pension Benefits

#### Compensation Element #1 - Base Salary

The Compensation Committee begins its annual review of base salary for the named executive officers and senior management through discussion with the CEO on the previous year's expectations,

achievements for each executive and their pay histories. The Committee additionally references the base salary pay levels to similar roles in our Pay Level Peer Group. The annual base salary determinations for executives are effective each year on or about March 1, following the executive's annual performance review, which includes a discussion about individual results against defined expectations. Adjustments to base salary are made periodically to recognize competitive changes, personal performance or change in position or responsibilities.

#### Compensation Element #2 - Annual Bonus Plan

Employees of the Company are eligible to participate in our Annual Bonus Plan ("ABP"), which provides annual cash incentive compensation based on one or more of the following factors: our overall performance, the performance of the participant's division, business unit or department and individual performance during the previous year. Under the ABP, participants may receive a cash bonus each year.

The ABP award is designed to serve as an annual incentive. The target-level financial performance goals established by the Compensation Committee are intended to require substantial efforts by our management team toward our strategic goals, while at the same time they are intended to be within reach if such efforts are made and provide additional rewards for extraordinary achievement. The Compensation Committee establishes ABP objectives for the Company during February of each year and determines results and awards in March of the following year. ABP financial objectives are not tied to any peer group, but are instead tied solely to our financial performance objectives. ABP Company-specific financial objectives are measured using the following components:

#### 2018 COMPANY-SPECIFIC ANNUAL BONUS PLAN METRICS

Component	Weight	Definition
Adjusted Operating Income Per Share <sup>1</sup>	50%	Adjusted operating income per share is our net income per share from continuing operations less realized capital gains and losses and certain other non-operating items.
Book Value Per Share Excluding AOCI <sup>1</sup>	25%	Book value per share is the Company's total equity excluding Accumulated Other Comprehensive Income ("AOCI") divided by total common stock outstanding.
New Business Embedded Value	15%	New business embedded value ("NBEV") is a measure of the value of the profits expected to emerge from new business net of the cost of supporting capital. NBEV is a forward-looking calculation that reflects the lifetime value created through new business sales.
Annual Adjusted Operating Consolidated Revenue <sup>1</sup>	10%	Annual consolidated adjusted operating revenue is total revenues earned by the Company less any excluded transactions undertaken for capital management or risk management purposes during the annual performance period. For 2018, there were no excluded transactions.

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

Targets reflect our annual goals for these metrics. The allocation of ABP awards between individual, business unit and Company-specific performance varies for each participant based on his or her job responsibilities. In general, allocations for business unit, departmental and individual performance are weighted more heavily for employees with less Company-specific responsibility. In contrast, allocations for Company-specific performance are weighted more heavily for senior executives because their roles involve greater Company-specific responsibility.

Business unit results are based on each business unit's financial performance metrics. Individual performance results are measured by progress on major projects, productivity, leadership, client development or similar goals in which the employee played a major role. While we intend to tie individual performance to clearly articulate and objective measures, it is necessary and at times prudent for management to use a certain degree of discretion in evaluating individual results. Based on these criteria, the Compensation Committee approves a list of senior management participants, which includes (as applicable) individual incentive and/or business unit or division allocations, a minimum performance level

that must be met before any payment can be made, as well as a target and a maximum. In addition, overall Company financial performance must meet certain minimum levels, as determined in advance by the Committee, before any awards (including any portion of an award based solely on individual performance) are made under the ABP. Awards are based on a specific target percentage of salary, which varies for each participant.

We consider business unit and individual performance when evaluating total compensation and may from time to time establish a specific ABP allocation for a particular business objective or project. The types of individual performance that may be taken into consideration include contributions toward revenue growth, earnings per share, return on equity capital, expense management, or product or client development, as well as intangible items such as progress toward achievement of strategic goals, leadership capabilities, development of staff or progress on major projects in which the individual holds a key role.

### Compensation Element #3 - Performance Contingent Shares

Our Performance Contingent Share ("PCS") grants are part of a performance-driven incentive program under our Flexible Stock Plan. Executives in leadership or senior management roles, or who are considered top subject matter experts within our Company, participate in this program. We believe this program focuses participants on our strategic and intermediate-term financial and operating goals. Incentive awards are intended to reflect each participant's involvement in our performance and to encourage their continued contribution to our future. We view intermediate incentive awards as an important means of aligning the economic interests of management and shareholders.

The PCS grants are designed to allow us to reward the achievement of specific intermediate-term corporate financial performance goals with equity that is earned on the basis of Company performance. We implemented the PCS program because we believe it is consistent with our pay-for-performance compensation philosophy and achieving the financial performance necessary to increase shareholder value. We believe that the PCS grants require management to focus on intermediate-term growth and return on equity, while the SARs are designed to focus attention on accomplishment of long-term goals that influence the creation of long-term shareholder value.

The Compensation Committee annually evaluates the appropriate mix of pay elements in comparison to the market to remain competitive in our compensation practices and to best support our strategy. We also annually review the PCS performance metrics in order to ensure they accurately align compensation with our intermediate-term goals and make changes or adjustments to such metrics when appropriate.

In 2015, the PCS awards granted were based on the following three metrics: (i) three-year adjusted operating ROE; (ii) three-year Relative ROE; and (iii) three-year revenue growth rate. After careful review and consideration, in 2016 the Compensation Committee replaced the cumulative revenue growth rate metric with three-year adjusted operating revenue growth rate, a non-GAAP financial measure, as a basis for establishing target levels and awards. The Committee determined that three-year adjusted operating revenue growth rate better measured the underlying trends of our continuing operations and management actions, primarily because it could exclude certain transactions undertaken for capital management or risk management purposes that may negatively impact revenue growth (such as retroceded blocks of business).

The following tables describe the performance measures for each of the three-year performance periods for PCS awards granted in 2015, 2016 and 2017:



## 2015-2017 PCS PERFORMANCE METRICS

Component	Weight	Definition
Three-Year Adjusted Operating Return on Equity ("ROE") <sup>1</sup>	33.5%	ROE is calculated as adjusted operating income divided by average shareholders' equity excluding Accumulated Other Comprehensive Income ("AOCI") for the three-year performance period. Adjusted operating income and equity excluding AOCI are non-GAAP financial measures.
Three-Year Relative Return on Equity ("Relative ROE")	33.5%	Relative ROE is the percentile ranking of the Company's ROE relative to the ROE of competitor companies in the Performance Peer Group over the same three-year performance period.
Cumulative Revenue Growth Rate	33.0%	Cumulative revenue growth rate is the compounded average growth rate of the Company's consolidated revenue over the three-year performance period using the Company's annual consolidated revenue for the fiscal year immediately preceding the date of grant as the base year.

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

## 2016-2018 AND 2017-2019 PCS PERFORMANCE METRICS

Component	Weight	Definition
Three-Year Adjusted Operating Return on Equity ("ROE") <sup>1</sup>	33.5%	ROE is calculated as adjusted operating income divided by average shareholders' equity excluding Accumulated Other Comprehensive Income ("AOCI") for the three-year performance period. Adjusted operating income and equity excluding AOCI are non-GAAP financial measures.
Three-Year Relative Return on Equity ("Relative ROE")	33.5%	Relative ROE is the percentile ranking of the Company's ROE relative to the ROE of competitor companies in the Performance Peer Group over the same three-year performance period.
Three-Year Adjusted Operating Revenue Growth Rate <sup>1</sup>	33.0%	Three-year adjusted operating revenue growth rate is the compounded average growth rate of the Company's consolidated adjusted operating revenue over the three-year performance period using the Company's annual consolidated adjusted operating revenue for the fiscal year immediately preceding the date of grant as the base year.

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

In October 2017, the Compensation Committee approved three new metrics for the 2018 PCS program in order to better align executives' efforts and decisions with business results over the intermediate-term. Given our unique position as the only global pure life and health reinsurer in the marketplace, the Compensation Committee found it difficult to identify peer companies with comparable profiles to enable the use of a relative performance metric. Therefore, the Compensation Committee chose three absolute metrics, all measured over the three-year performance period, beginning with awards granted in 2018.

Starting with PCS awards granted in 2018 and onward, the PCS performance payouts are based on the following metrics: (i) three-year adjusted operating return on equity; (ii) three-year adjusted operating income; and (iii) three-year book value per share, excluding AOCI.

The following table describe the performance measures for the three-year performance periods for PCS awards granted in 2018 and 2019:

2018-2020 AND 2019-2021 PCS PERFORMANCE METRICS<sup>1</sup>

Component	Weight	Definition
Three-Year Adjusted Operating Return on Equity <sup>2</sup>	33.5%	This metric is calculated as cumulative Adjusted Operating Income (defined below) for the three-year period divided by average adjusted stockholders' equity. Adjusted stockholders' equity represents total stockholders' equity excluding AOCI. The average of adjusted stockholders' equity will use monthly data points during the 3-year measurement period. ROE, AOI and stockholders' equity excluding AOCI are non-GAAP financial measures.
Three-Year Adjusted Operating Income <sup>2</sup>	33.5%	This metric is calculated as net income excluding substantially all of the after-tax effect of net investment related gains and losses, changes in the fair value of certain embedded derivatives and related deferred acquisition costs, any net gain or loss from discontinued operations, the cumulative effect of any accounting changes occurring after the targets have been established, and other items that management and the Compensation Committee believe are not indicative of the Company's ongoing operations.
Three-Year Book Value per Share, Excluding AOCI <sup>2</sup>	33.0%	This metric is defined as adjusted stockholders' equity divided by the end of period outstanding shares of the Company's common stock. Adjusted stockholders' equity represents total stockholders' equity excluding accumulated other comprehensive income ("AOCI"). Book value per share and adjusted stockholders' equity excluding AOCI are non-GAAP financial measures.

<sup>1</sup>Certain names for PCS metrics have been adjusted in this proxy statement for consistency. Any changes are to the metric name only and do not impact the underlying performance measurement.

<sup>2</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

The Compensation Committee sets award levels with a minimum level of Company performance that must be met before any payment to the individual can be made, as well as a target and a maximum. We use linear interpolation to determine the percentage of the target when performance falls between the minimum, target or maximum performance levels. If we do not meet minimum performance goals, the awards will not be made. If we exceed those performance goals, the award can be as much as 200% of the targeted award opportunity. As the Compensation Committee considers the targets for a particular performance period, targets are set at amounts or ranges that are generally consistent with our publicly disclosed growth rate goals. The Compensation Committee believes that achievement of the targets will require a high level of financial and operating performance and the goals and ranges established for all PCS grants are challenging but achievable.

PCS grants are not treated as outstanding shares until the performance results over the three-year performance period are calculated and awards are made as determined and approved by the Compensation Committee. Payouts of awards are made in fully-vested, unrestricted common stock. Payment of awards are also contingent upon the participant's employment status with us at the end of the three-year performance period.

As discussed below under "Executive Compensation Process - Competitive Marketplace Assessment," the Committee determines a target total compensation package for our named executive officers based on an analysis of competitive market conditions and overall Company performance. All participants are required to maintain an acceptable level of performance to be eligible to receive equity incentive awards.

The grants are made pursuant to the terms of our Flexible Stock Plan and award agreements. For awards granted prior to 2019, upon retirement during the performance period, the PCS grant and resulting award are pro-rated based on the number of months of the grant holder's participation during the period, provided that the holder has attained age 55 and a combination of age and years of service with the Company that equals at least 65.

In January 2019, the Compensation Committee approved a revised retiree vesting approach, as well as an updated definition for retirement as it relates to our long-term incentive plan. Effective with 2019



grant, all long-term incentive awards will vest 100% post-retirement for those executives that meet our retirement criteria with the following conditions: (i) service condition, whereby the executive must work the entire first calendar year of the performance plan cycle; and (ii) a non-compete condition, whereby if the executive retires and then works for a competitor, the Company has the right to cancel any unvested awards. The long-term incentive plan retirement definition has also been updated to include a minimum length of service condition. The executive must attain a combination of age and years of service that equals at least 65, provided that the maximum number of years of service credited is ten and so long as the executive has been employed by the Company for at least five years.

#### Compensation Element #4 - Stock Appreciation Rights

Stock Appreciation Rights ("SARs") are granted annually under our Flexible Stock Plan. SARs are granted to executives in leadership or senior management roles, or to employees considered top subject matter experts within the Company. The number of SARs granted annually is based on the grant recipient's position and level of responsibility within the Company. The Compensation Committee considers compensation data of the Pay Level Peer Group and published surveys in determining the total target compensation, inclusive of SARs granted to our named executive officers and other participants. We believe this program focuses participants on our strategic and long-term financial goals while aligning our executives' interests with those of our shareholders and promoting retention. For more information on our Pay Level Peer Group, see "Executive Compensation Process - Competitive Marketplace Assessment."

The vesting schedule for SARs grants is four years, 25% of which vests on December 31 of each of the first four years. The grant value of a SAR is equal to the NYSE closing price of the Company's common stock on the grant date of the award (i.e., the date of the March Compensation Committee meeting), multiplied by a Black-Scholes Model factor (which calculates the current economic value of a SAR using assumptions that include exercise price, the term of the award, a risk-free rate of interest, dividend yield and observed market volatility). Upon vesting, the SARs are settled in the equivalent value of unrestricted shares of common stock. The SARs expire 10 years after the grant date. In March 2018, the Compensation Committee approved the use of non-qualified net-settled stock options for Canadian executives in lieu of SARs to alleviate certain negative tax consequences for these executives. These non-qualified net-settled stock options ("NSOs") are similar to SARs from the recipient's perspective, in that when exercised, the executive receives a number of shares with a value equal to the spread between the strike price and the stock price at exercise (less withholdings). Upon net settlement, the NSOs are taxed as stock options under Canadian law, while SARs are taxed as ordinary income. NSOs and SARs have the same impact on the Company and thus, the issuance of these NSOs result in tax efficiencies for the executive with no increased costs for the Company or impact to share usage under the Flexible Stock Plan. For convenience, when we discuss SARs throughout this Proxy Statement, such discussion includes NSOs for our Canadian executives.

For grants made prior to 2019, upon retirement, provided that the participant has attained age 55 and a combination of age and years of service with the Company that equals at least 65, the SARs continue to vest in accordance with the vesting schedule. In January 2019, the Compensation Committee approved an updated definition for retirement as it relates to our long-term incentive plan to include a minimum length of service condition. For grants made in 2019 and thereafter, the executive must attain a combination of age and years of service that equals at least 65; provided the maximum number of years of service credited is ten and the minimum is five.

#### Compensation Element #5 - Retirement and Pension Benefits

We recognize the importance of providing comprehensive and cost-effective employee benefits to attract, retain and motivate employees. We offer our executives market competitive retirement programs as described below, including a pension plan, augmented plan, savings plan and a deferred savings plan.

The Company reviews its retirement and pension benefits programs from time to time and makes adjustments to the design of the programs as necessary to meet these objectives and to remain competitive. Because our named executive officers are either United States or Canadian residents, we have described the benefits in both jurisdictions below.

Qualified and Registered Plans - U.S.

**Savings Plan.** U.S. based employees of the Company may participate in a qualified 401(k) plan and make pre-tax or after-tax (Roth) elective deferrals to the plan ("Savings Plan"). Employees may contribute up to the maximum allowed by the U.S Internal Revenue Code. The Company provides matching contributions on elective deferrals up to 5% annually. The Company also provides a 2% fixed employer contribution to employees who work at least 1,000 hours and are employed on December 31. In compliance with the U.S. Internal Revenue Code for 2018, contributions to the Savings Plan cannot be made on cash compensation in excess of \$275,000 and employee contributions were limited to a maximum of \$24,500 (\$18,500 plus an additional \$6,000 for those 50 years of age and older).

**Pension Plan.** U.S. based employees, including certain named executive officers, participate in the RGA Performance Pension Plan ("Pension Plan"), a qualified defined benefit plan. The Pension Plan is a widely available retirement plan that is intended to provide a source of income for employees during retirement. The Pension Plan provides a "Performance Pension Account Benefit," that is generally paid as a lump-sum, but may be paid as an annuity if the participant has met the retirement plan eligibility of a minimum of ten years of service and a minimum age of 55. Participants employed after January 1, 1996 are eligible for the Performance Pension Account Benefit.

As of December 31, 2018, Ms. Manning and Messrs. Larson, Laughlin and Matson were eligible to receive the Performance Pension Account Benefit. The Performance Pension Account Benefit payable to these executives at age 65 is the sum of (1) and (2) as follows:

(1) Participants earn base credits for each Year of Accrual Service (as defined below) completed under the plan. The credit is a percentage of base salary and the target ABP award (i.e., target cash compensation) based on the participant's age on January 1 of the Pension Plan year, as shown in the table below:

PERFORMANCE PENSION ACCOUNT BENEFITS

Age on January 1 of the Plan Year in which the Year of Accrual Service is Earned	Percentage of Final Average Annual Target Cash Compensation Credited
Up to 35	2%
35 – 44	4%
45 – 54	6%
55 or over	8%

(2) Additional base credits are earned on Final Average Annual Compensation (as defined below) that is greater than 60% of the prevailing Social Security Wage Base (as defined below), rounded to the next \$100. Additional credits are always half of the base credits, as illustrated in the table below:

ADDITIONAL PERFORMANCE PENSION  
ACCOUNT BENEFITS

Age on January 1 of the Plan Year in which the Year of Accrual Service is Earned	Additional Credits
Up to 35	1%
35 – 44	2%
45 – 54	3%
55 or over	4%

For certain Company employees who were employees prior to January 1, 1996, the Pension Plan provides a "Traditional Benefit" paid exclusively in the form of an annuity. None of our named executive officers receive the Traditional Benefit.

Payment of the specified retirement benefits is contingent upon continuation of the plans in their present form until the officer retires.

"Final Average Annual Compensation" means the average of compensation received during 5 consecutive years of accrual service within the last 10 calendar year period immediately preceding termination of employment which produces the highest average (or during all the years of accrual service if less than 5). "Year of Accrual Service" means a year is credited for each plan year after employee becomes a plan participant, in which the participant is credited with at least 1,000 hours of service. "Social Security Wage Base" means the 35-year average of the maximum amount of compensation on which the Social Security benefits are based according to year of birth and assuming the participant has always received wages at least equal to those subject to tax under FICA (Federal Insurance Contributions Act).

Qualified and Registered Plans - Canada

Registered Pension Plan. All permanent Canadian employees are required to join the defined contribution plan on their date of hire. Each employee is required to contribute, by payroll deduction, an amount equal to 5% of their annual earnings (base salary and cash bonus earned), up to 50% of the maximum allowable limit per calendar year as set under the Canadian Income Tax Act. The Company contributes, on behalf of each employee, an amount equal to the required contribution of the employee, up to 50% of the maximum allowable limit per calendar year as set under the Canadian Income Tax Act. For 2018, the maximum allowable limit for combined employer and employee contributions is CAD 26,500. Employer contributions are immediately vested.

Company and employee contributions are locked-in benefits (cannot be accessed by the employee) until an employee retires at age 55 or later. Voluntary contributions made by the employee over and above the required contribution level are permitted under the plan and the employee may withdraw such funds at any time. A deferred or immediate life annuity contract may be purchased whereby the employee can transfer the value of the benefit to another registered pension plan, a registered retirement savings plan (if conditions are met as stipulated by applicable legislation) or any form of registered retirement income fund.

Non-qualified and Supplemental Plans - U.S.

Non-qualified Augmented Plan. The Company's Augmented Benefit Plan ("Augmented Plan") is designed to restore benefits lost in the qualified Savings Plan and Pension Plan due to IRS compensation limitations for qualified plans, which was \$275,000 for 2018. In order for an employee's retirement income provided under the plans to be based on total eligible cash compensation, the Augmented Plan provides U.S. based executives at the vice president level and above benefits based on an employee's annual cash compensation, in accordance with the Internal Revenue Code. The Augmented Plan provides executives

the opportunity to receive employer matching and employer non-elective contribution credits without regard to qualified plan limitations imposed by the IRS. All contributions to the Augmented Plan are made by the Company. The investment fund alternatives in the savings portion of the Augmented Plan are identical to the qualified Savings Plan, with the exception of the fixed rate option, which offers a fixed interest rate set at the beginning of the plan year. We credit the employee's non-qualified deferred compensation account with the returns he or she would have received in accordance with the investment alternatives selected from time to time by the employee. We do not pay above-market or preferential earnings, compensation or returns under the Augmented Plan or any other plan.

Distributions from the Augmented Plan cannot be made until the participant terminates his or her employment. Ms. Manning and Messrs. Larson, Laughlin and Matson participated in the Augmented Benefit Plan. The Augmented Benefit Plan has two components: a 401(k) Savings component and a Pension component. Ms. Manning and Messrs. Larson, Laughlin and Matson participated in both components. For additional details regarding executive participation in our retirement plans, see "[Compensation Tables and Other Matters - Pension Benefits in 2018.](#)"

**Non-qualified Executive Deferred Savings Plan.** U.S. employees at the vice president level and above are eligible to participate in our Executive Deferred Savings Plan ("EDSP"), a non-qualified savings plan which allows employees to defer income, including annual bonuses, without regard to qualified plan limitations. Eligible employees are able to defer up to 50% of their base salary and up to 100% of their Annual Bonus Plan payments. The Company credits EDSP accounts with matching contributions equal to the matching contributions the employee could not receive under the Saving Plan (100% of EDSP deferrals up to 5% of compensation in 2018) due to IRS compensation limits in the Savings Plan. Employees cannot withdraw any amounts from EDSP balances until they either terminate employment or reach the designated distribution date selected by the employee at the time of their deferral election. With respect to these distributions, participants may elect to receive either a lump-sum payment or 2 to 15 annual installments. The investment fund alternatives under the EDSP are identical to those in the Savings Plan, with the exception of the fixed rate option, which offers a fixed interest rate set at the beginning of the plan year. We credit the participant's non-qualified deferred compensation account(s) with the returns he or she would have received in accordance with the investment alternatives selected from time to time by the employee. We do not pay above-market or preferential earnings, compensation or returns under EDSP or any other plan.

**Non-qualified and Supplemental Plans - Canada**

**Supplemental Executive Retirement Plan.** RGA offers a Supplemental Executive Retirement Plan ("SERP") in Canada to employees at the vice president level and above who are approved by senior management. An employee must also participate in the Registered Pension Plan to participate in the SERP. Benefits are payable at the time an employee leaves the Company. The SERP benefit is calculated on a number of factors including the employee's years of credited service and average pensionable earnings, each determined on the date the employee ceases to be an executive or leaves the Company.

An employee who retires on or after age 60 and has completed at least 5 years of uninterrupted employment with the Company is entitled to receive an annual supplementary allowance. The allowance is a non-indexed pension that does not increase with inflation. The annual supplementary allowance payable to the employee is paid over a ten-year term. All benefits under the SERP are subject to applicable withholding tax and reporting pursuant to the Canadian Income Tax Act and any other applicable law.

An employee may elect to retire at age 50, provided the employee has completed at least 5 years of uninterrupted employment with the Company, and subject to a reduction of 0.33% for each month by which the employee retires before age 60.

In 2018, Mr. Néemeh participated in the Supplemental Executive Retirement Plan. Ms. Manning participated in the Canadian SERP until her relocation to the U.S. in April 2016. Ms. Manning's accumulated earnings in the Canadian plan will be deferred until her retirement. For additional details regarding executive participation in our retirement plans, see "[Compensation Tables and Other Matters - Pension Benefits in 2018](#)."

#### EXECUTIVE COMPENSATION PROCESS

##### The Role of the Compensation Committee

Our executive compensation program is evaluated and approved by the Compensation Committee with the objective of providing incentive-based compensation that aligns with the business goals of the Company and the interests of our shareholders. The Compensation Committee also determines the compensation of the Chief Executive Officer ("CEO") and evaluates and approves the compensation for the members of senior management of the Company, including our named executive officers.

##### Timing of Compensation Decisions

In 2018, the Compensation Committee met in early March to approve the regular grants of PCS and SARs awards. Equity grants are effective on and have a grant date of the same day as the Committee meeting. The PCS awards are measured by financial performance over a three-year period and the market price of our common stock is not a factor in those calculations or measures. The strike price for grants of SARs is the NYSE closing price of our common stock on the day of the Committee meeting. This timing and process is designed to ensure that our fourth quarter earnings information (typically released in late January) is fully disseminated to the market by the time the SARs strike price is determined.

The Compensation Committee approves compensation for executive officers at its regularly scheduled meeting in March of each year. All compensation and incentive awards are made in consideration of market pay competitiveness and in comparison to Pay Level Peer Group and published survey data.

##### Compensation Consultant

In forming its recommendations on our overall compensation program, the Committee annually engages an independent consulting firm to provide advice about competitive compensation practices and to determine how our executive compensation compares to that of other comparable companies, including selected publicly held insurance and reinsurance companies. Steven Hall & Partners ("SH&P") currently serves as independent advisor to the Compensation Committee. The Committee directly engaged SH&P to advise and assist with decisions relating to our executive compensation program, including providing advice regarding incentive plan design, annual comprehensive competitive market studies, competitive compensation data for directors, technical advice on disclosure requirements relating to executive compensation and to apprise the Compensation Committee of compensation best practices. Annually, SH&P conducts an evaluation of the Pay Level Peer Group and a competitive marketplace assessment of our named executive officers, which includes a comparison to our Pay Level Peer Group and published survey data. SH&P also periodically conducts a review of our incentive plans to ensure a competitive position. Other than work for the Compensation Committee, SH&P provides no other services to the Company or its affiliates. Additionally, the Company's Compensation Committee determined no conflicts of interest exist which would prevent SH&P from serving as an independent advisor to the Compensation Committee.



### Management Participation and Involvement in Compensation Decisions

Pursuant to the Compensation Committee charter, the Committee reviews and approves the compensation of our CEO, other named executive officers and senior management. The CEO plays a significant role in the compensation-setting process for the named executive officers (other than the CEO). The CEO and senior management play a significant role in setting compensation for management and all other employees. No member of management is involved in determinations regarding their own pay. The most significant aspects of management's role are:

- evaluating employee performance;
- recommending business performance targets, goals and objectives; and
- recommending salary levels, cash bonus and equity incentive award targets.

Our CEO and Chief Human Resources Officer work with the Compensation Committee chair to establish the agenda for Committee meetings. The Company prepares relevant information and reports for each Compensation Committee meeting. Our Chief Executive Officer participates in Compensation Committee meetings at the Committee's request to provide:

- background information regarding our strategic objectives;
- an evaluation of the performance of the senior management and direct reports; and
- compensation recommendations as to senior management and direct reports.

Our executives and other members of management are made available to SH&P or any other compensation consultant to provide information regarding position descriptions, compensation history and other information as requested, and to review draft results provided by SH&P.

### Competitive Marketplace Assessment

We use three groups of companies to evaluate our compensation practices for purposes such as pay levels, pay design and performance comparisons.

#### 2018 PAY LEVEL PEER GROUP

Purpose:	We use the Pay Level Peer Group to evaluate the overall competitiveness of our compensation packages, as well as individual elements of compensation.	
How Peer Companies are Chosen:	We use a group comprised of companies based on industry and size that are appropriate comparators for purposes of evaluating the competitiveness of our pay levels. The selected companies are publicly-traded insurers and reinsurers (life, health and property-casualty), including direct competitors.	
Last Evaluated:	In 2018, SH&P performed a comprehensive assessment of this group to determine the continued appropriateness of each constituent.	
Peer Group Members:	Aflac, Inc.	Principal Financial Group, Inc.
	American Financial Group, Inc.	Sun Life Financial, Inc.
	American National Insurance Co.	The Hartford Financial Services Group, Inc.
	Assurant, Inc.	Torchmark Corporation
	CNO Financial Group, Inc.	Unum Group
	Lincoln National Corp.	

2018 PAY DESIGN PEER GROUP

**Purpose:** The Pay Design Peer Group is used to evaluate market practices with respect to types of pay vehicles utilized, incentive compensation program designs, performance metrics and pay mix.

**How Peer Companies are Chosen:** We use the companies in the Pay Level Peer Group, as well as additional companies that were deemed inappropriate comparators for purposes of evaluating pay levels due to size, but which the Compensation Committee believes are useful sources of competitive intelligence regarding pay design and practices.

**Last Evaluated:** In 2018, SH&P performed a comprehensive assessment of this group to determine the continued appropriateness of each constituent.

**Peer Group Members:**

Aflac, Inc.	Munich Re
American Financial Group, Inc.	Principal Financial Group, Inc.
American National Insurance Co.	Prudential Financial, Inc.
Assurant, Inc.	Sun Life Financial, Inc.
CNO Financial Group, Inc.	Swiss Reinsurance Co. Ltd.
Kemper Corporation	The Hartford Financial Services Group, Inc.
Lincoln National Corp.	Torchmark Corporation
Manulife Financial Corp.	Unum Group
Metlife, Inc.	

2018 PERFORMANCE PEER GROUP

**Purpose:** The Performance Peer Group is used to evaluate our relative performance for purposes of determining incentive compensation paid.

**How Peer Companies are Chosen:** For comparisons of our performance among companies in the life and health insurance and reinsurance industry, we exclude most companies in the property and casualty business because their return profile is not a good comparator; however, we retain two large, global multi-line (property-casualty and life) competitors because they are among the companies against whom we measure our performance and returns.

**Last Evaluated:** In 2018, SH&P performed a comprehensive assessment of this group to determine the continued appropriateness of each constituent.

**Peer Group Members:**

Aflac, Inc.	Principal Financial Group, Inc.
American National Insurance Co.	Prudential Financial, Inc.
Assurant, Inc.	Sun Life Financial, Inc.
CNO Financial Group, Inc.	Swiss Reinsurance Co. Ltd.
Lincoln National Corp.	The Hartford Financial Services Group, Inc.
Manulife Financial Corp.	Torchmark Corporation
Metlife, Inc.	Unum Group
Munich Re	

Peer Group Changes

The Compensation Committee regularly reviews the three groups of companies we use to evaluate our compensation practices for purposes such as pay levels, pay design and performance comparisons. In 2018, several changes were made to the Pay Level peer group. One peer company was removed due to its pending acquisition - Genworth Financial, Inc. Additionally, American National Insurance and Torchmark Corporation were added as Pay Level peers.



Due to the minimal number of companies which are both size and industry appropriate, and in order to expand the current Pay Level peer group and protect against future peer attrition due to acquisition and other activity, the Compensation Committee approved the use of an additional group of peer companies starting in 2018. The above listed group of Pay Level peers will remain the primary peer companies used to benchmark the compensation of our top executives. However, pay levels at other companies will be analyzed to allow a broader scope of peer companies for validating the Company's pay levels and confirming year-over-year trends. This change in the Pay Level Peer Group became effective in January 2018.

We plan to continue to review and update these lists periodically in order to ensure that comparators remain appropriate in light of evolving best practices with respect to peer group determinations, mergers and acquisitions, divestitures, growth in our size and the size of those companies in the comparator groups and other changes which might affect the appropriateness of a particular comparator.

#### How We Use Peer Group Data

When making determinations in 2018 relating to base salary, target total cash compensation, intermediate and long-term incentives and target total direct compensation for our named executive officers, we used the competitive compensation analysis provided by SH&P as the beginning reference point. This analysis included a review and assessment of publicly disclosed compensation data for companies in our Pay Level Peer Group as well as publicly available survey data. In most markets, we align our target executive compensation levels with the market median in order to retain current talent and attract new talent. In addition to a review of the competitive compensation data provided by SH&P, we also considered individual performance, internal pay equity among positions and levels and the relative importance of positions. We believe that the compensation strategy we established aligns our target compensation with the market median and should allow us to retain our current talent and attract new talent.

#### 2018 COMPENSATION ACTIONS AND RESULTS

##### Compensation Element #1 - Base Salary

In determining the base salaries of our named executive officers, the Compensation Committee considers our compensation compared to that of the Pay Level Peer Group, as well as published surveys. The Compensation Committee also considers recommendations submitted to it by our Chief Executive Officer for the other named executive officers.

In the first quarter of 2019, based upon quantitative results, the recommendations of our Chief Executive Officer and our subjective evaluation of individual performance, the Committee approved the following base salaries for 2019 for the named executive officers as listed below.

#### 2018 AND 2019 NAMED EXECUTIVE OFFICER BASE SALARIES

Name	2018 Percentage Increase	2018 Base Salary	2019 Percentage Increase	2019 Base Salary
Anna Manning	5.3%	\$1,000,000	3.0%	\$1,030,000
Todd C. Larson	10.6%	\$575,000	4.4%	\$600,000
Alain P. Néemeh	2.8%	\$600,000	3.3%	\$620,000
John P. Laughlin	5.5%	\$575,000	3.5%	\$595,000
Timothy T. Matson	0.0%	\$460,000	2.9%	\$473,500

### Compensation Element #2 - Annual Bonus Plan ("ABP")

2018 Annual Bonus Plan Awards. In February 2018, the Compensation Committee approved the performance goals and business criteria for the named executive officers under the ABP for 2018, including the minimum, target and maximum bonus opportunities, as a percentage of base salary, as described in the table below. Overall Company financial performance must meet certain minimum levels, as determined in advance by the Compensation Committee, before any awards are made. The performance goals the Committee established were meant to require substantial efforts by our management team toward our strategic goals, but at the same time they were intended to be within reach if such efforts are made, and also provide additional rewards for extraordinary achievement. We believe that goals that are too difficult to attain would not have the effect of providing appropriate incentives.

#### 2018 COMPANY ANNUAL BONUS PLAN RESULTS

Metric	Weight	Target	2018 Result	Performance level
Adjusted Operating Income Per Share <sup>1</sup>	50%	\$12.68/share	\$12.12/share	68.5%
Book Value Per Share Excluding AOCI <sup>1</sup>	25%	\$126.35/share	\$124.39/share	84.5%
New Business Embedded Value	15%	\$525 million	\$616.2 million	139.5%
Adjusted Operating Revenue <sup>1</sup>	10%	\$12.8 billion	\$12.9 billion	109.4%
Weighted Average				87.3%

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

In March 2019, the Compensation Committee approved the ABP awards for our named executive officers for 2018 performance. Ms. Manning had ABP allocations based 100% on overall Company financial results. Messrs. Larson and Néemeh had ABP allocations based on overall Company financial results and individual performance. Messrs. Laughlin and Matson had ABP allocations based on overall Company financial results and on business unit results (Global Financial Solutions and Investments, respectively), as well as individual performance. The weighted average of the Company-specific ABP financial performance metrics for 2018 performance was 87.3%.

The following table describes the minimum, target and maximum bonus opportunities for the named executive officers (as a percentage of base salary) as approved by the Compensation Committee in February 2018, and the actual ABP payments for 2018 performance, as approved by the Committee in March 2019:

#### 2018 INDIVIDUAL ANNUAL BONUS PLAN RESULTS

Name	2018 Bonus at Threshold	2018 Bonus at Target	2018 Bonus at Maximum	Actual Bonus Percentage for 2018	Actual Bonus Payment for 2018
Anna Manning	75%	150%	300%	130.9%	\$1,308,840
Todd C. Larson	50%	100%	200%	87.3%	\$501,722
Alain P. Néemeh	50%	100%	200%	87.3%	\$523,536
John P. Laughlin	50%	100%	200%	142.1%	\$816,914
Timothy T. Matson	50%	100%	200%	137.0%	\$630,025

2019 Annual Bonus Plan and Opportunities. The 2019 ABP objectives for Ms. Manning will be based 100% on overall Company-specific financial results. Messrs. Larson and Néemeh will have ABP allocations based on overall Company financial results and individual performance. Messrs. Laughlin and Matson will have ABP allocations based on overall Company financial results and on business unit results (Global Financial Solutions and Investments, respectively), as well as individual performance. Company-specific



financial performance metrics are measured 50% on annual adjusted operating income per share, 25% on book value per share excluding AOCI, 15% on new business embedded value and 10% on adjusted operating revenue. Overall Company earnings per share must meet a certain minimum level, as determined in advance by the Compensation Committee, before any awards are made.

In February 2019, the Compensation Committee approved the performance measures and bonus opportunities for the 2019 ABP.

#### 2019 ANNUAL BONUS PLAN OPPORTUNITIES

Name	2019 Bonus at Threshold	2019 Bonus at Target	2019 Bonus at Maximum
Anna Manning	75%	150%	300%
Todd C. Larson	50%	100%	200%
Alain P. Néemeh	50%	100%	200%
John P. Laughlin	50%	100%	200%
Timothy T. Matson	50%	100%	200%

#### Compensation Element #3 - Performance Contingent Shares ("PCS")

2015-2017 PCS Results. In February 2015, we established the target and range for the following PCS performance measures: (1) three-year adjusted operating ROE; (ii) three-year Relative ROE; and (iii) three-year revenue growth rate, for the period beginning in 2015 at levels that were consistent with our intermediate-term goals for those measures. The payout results for the 2015-2017 PCS grants were determined in late April 2018 and payments were made in May 2018. The following table describes the PCS payouts for the 2015-2017 performance period:

#### 2015-2017 PERFORMANCE CONTINGENT SHARE PAYOUT

Name	Percentage Payout	Number of Shares Acquired on Payout	Value Realized on Payout
Anna Manning*	107.0%	6,330	\$946,652
Todd C. Larson*	107.0%	2,980	\$445,659
Alain P. Néemeh	107.0%	6,330	\$946,652
John P. Laughlin	107.0%	4,268	\$638,279
Timothy T. Matson	107.0%	3,066	\$458,520

\*2015-2017 PCS payout for Ms. Manning based on targets set prior to her role as President and Chief Executive Officer and for Mr. Larson based on targets set prior to his role as Chief Financial Officer.

2016-2018 PCS Results. In February 2016, the Compensation Committee established the target and range for the following PCS performance measures: (i) three-year adjusted operating ROE; (ii) three-year relative ROE; and (iii) three-year adjusted operating revenue growth rate. These measures were set for the period beginning in 2016 at levels that were consistent with our intermediate-term goals for those measures. The performance period for the 2016 PCS grant began on January 1, 2016 and ended on December 31, 2018.

In February 2019, the Compensation Committee reviewed the results for the 2016-2018 performance period and determined that our three-year adjusted operating revenue growth rate for the three-year period exceeded the maximum performance level. Our three-year adjusted operating ROE exceeded the target level, but did not reach the maximum performance level. Because the three-year relative ROE measure is dependent upon publicly available financial results of our peer companies, our performance for the relative return on equity metric will not be approved by the Compensation Committee until late April 2019, after the filing of this Proxy Statement. Payments will be made in May 2019. These payments will be fully disclosed in our 2020 Proxy Statement.

Actual results are interpolated to determine the performance level achieved among the threshold, target and maximum goals established by the Committee. The following table describes the goals established in February 2016 and actual results available as of April 2019:

## 2016-2018 PCS RESULTS

Performance Measure	Weight	Threshold	Target	Maximum	Actual	Percentage of Target Payout
Three-Year Adjusted Operating Return on Equity <sup>1</sup>	33.5%	8.5%	10.5%	12.5%	10.9%	119.0%
Three-Year Relative Return on Equity	33.5%	25th Percentile	50th Percentile	75th Percentile	TBD	TBD
Three-Year Adjusted Operating Revenue Growth Rate <sup>1</sup>	33.0%	1.0%	3.0%	5.0%	8.6%	200.0%
Weighted Average					TBD	TBD

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

For additional information, see "Compensation Tables and Other Matters - SARs and Option Exercises and Stock Vested in 2018."

2017-2019 PCS Awards. In February 2017, the Compensation Committee established the targets and ranges for the following PCS performance measures: (i) three-year adjusted operating ROE; (ii) three-year relative ROE; and (iii) three-year adjusted operating revenue growth rate. These measures were set for the period beginning in 2017 at levels that are consistent with our intermediate-term goals for those measures. The performance period for the 2017 PCS grant began on January 1, 2017 and will end on December 31, 2019.

2018-2020 PCS Awards. In March 2018, the Compensation Committee established the targets and ranges for the following PCS performance measures: (i) three-year adjusted operating return on equity; (ii) three-year adjusted operating income; and (iii) three-year book value per share, excluding AOCI. These measures were set for the period beginning in 2018 at levels that are consistent with our intermediate-term goals for each measure. As a result, the Compensation Committee believes that achievement of the targets will require a high level of financial performance. The performance period for the 2018 PCS grant began on January 1, 2018 and will end on December 31, 2020.

## 2018-2020 PERFORMANCE CONTINGENT SHARE GRANTS

Performance Measure	Weight	Threshold	Target	Maximum
Three-Year Adjusted Operating Return on Equity <sup>1</sup>	33.5%	9.5%	10.5%	11.5%
Three-Year Adjusted Operating Income <sup>1</sup>	33.5%	\$2,403.0	\$2,597.9	\$2,792.7
Three-Year Book Value Per Share, Excluding AOCI <sup>1</sup>	33.0%	\$138.31	\$145.59	\$152.87

<sup>1</sup>See "Use of Non-GAAP Financial Measures" on page 64 for reconciliations from GAAP figures to adjusted operating figures.

See "Compensation Tables and Other Matters - Grants of Plan-Based Awards in 2018" for a description of the 2018 PCS grants.

2019-2021 PCS Awards. In March 2019, the Compensation Committee established the targets and ranges for the following PCS performance measures: (i) three-year adjusted operating return on equity; (ii) three-year adjusted operating income; and (iii) three-year book value per share, excluding AOCI. These measures were set for the period beginning in 2019 at levels that are consistent with our intermediate-term goals for each measure. The performance period for the 2019 PCS grant began on January 1, 2019 and will end on December 31, 2021.



2019 PERFORMANCE CONTINGENT  
SHARE GRANTS

Name	Number of PCS Granted
Anna Manning	23,236
Todd C. Larson	5,112
Alain P. Néemeh	5,282
John P. Laughlin	3,687
Timothy T. Matson	2,200

Compensation Element #4 - Stock Appreciation Rights ("SARs")

2018 SARs Grant. In March 2018, the Compensation Committee approved the 2018 annual SARs awards for our named executive officers and other company executives. The vesting schedule for the annual SARs grant is four years (vesting 25% at the end of each year). We made these grants because we believe that SARs are an appropriate vehicle for providing long-term value to participants because of the alignment to long-term shareholder value. The SARs granted on March 2, 2018 have a strike price of \$150.87, which was the closing price of our stock on the date the grants were approved. The grants were made pursuant to the terms of the Flexible Stock Plan and award agreements. See "Compensation Tables and Other Matters - [Grants of Plan-Based Awards in 2018](#)" for a description of the 2018 annual SARs grants.

The following table describes the 2018 annual SARs awards for the named executive officers, granted on March 2, 2018:

2018 SARs GRANTS

Name	Number of SARs Granted
Anna Manning	28,016
Todd C. Larson	6,444
Alain P. Néemeh*	7,172
John P. Laughlin	5,155
Timothy T. Matson	3,093

\*Mr. Néemeh received net-settled stock options in lieu of SARs.

2019 SARs Grant. In March 2019, the Compensation Committee approved the 2019 annual SARs awards for the named executive officers, as follows:

2019 SARs GRANTS

Name	Number of SARs Granted
Anna Manning	37,215
Todd C. Larson	8,187
Alain P. Néemeh*	8,460
John P. Laughlin	5,905
Timothy T. Matson	3,524

\*Mr. Néemeh received net-settled stock options in lieu of SARs.

The vesting schedule for the annual SARs grant is four years (vesting 25% at the end of each year). The SARs have a strike price of \$145.25, which was the closing price of our stock on March 1, 2019, the date the grants were approved.

#### Compensation Element #5 - Retirement and Pension Benefits

For 2018 and in compliance with the terms of the plans described herein, our named executive officers received Company contributions (where applicable) based upon their completion of a year of credited service and compensation (base pay and cash bonus) earned. Additionally, the contributions made by the Company on their behalf were in compliance with the U.S. Internal Revenue Code and the Canadian Income Tax Act and other provincial legislation for the Canadian executive officers.

##### U.S. Plans

Under the qualified and non-qualified Pension Plans and Savings Plans, and assuming a retirement on December 31, 2018, the named executive officers would be eligible to receive the benefits listed below:

**Qualified and Non-qualified Pension Plans.** As of the completion of 2018, Ms. Manning and Mr. Matson met the vesting requirements but did not meet the age and accrual service guidelines for retirement benefits. Messrs. Larson and Laughlin met the vesting, age and accrual service requirements for retirement benefits.

**Qualified and Non-qualified Savings Plans.** As of the completion of 2018, Ms. Manning and Mr. Matson met the vesting requirements but did not meet the eligibility guidelines for retirement benefits. Messrs. Larson and Laughlin met the vesting, age and accrual service requirements for retirement benefits in all plans, including the Augmented Pension Plan.

##### Canadian Plans

Under the Registered Pension Plan and the SERP, and assuming a retirement on December 31, 2018, the Canadian named executive officers who would be eligible to receive benefits are listed below:

**Registered Pension Plan.** Ms. Manning meets the vesting and early retirement eligibility requirements and is eligible to receive the benefits in accordance to the plan guidelines. Mr. Néemeh does not yet meet the early retirement eligibility criteria.

**Supplemental Executive Retirement Plan.** Ms. Manning and Mr. Néemeh meet the vesting and early retirement eligibility requirements and are eligible to receive the benefits in accordance to the plan guidelines.

## COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the portions of this Compensation Discussion and Analysis described in Regulation S-K Item 402(b) be included in this Proxy Statement. This report is provided by the following independent directors, who comprise the Committee as of the date of this Proxy Statement:

John F. Danahy, Chairman

Christine R. Detrick

J. Cliff Eason

Frederick J. Sievert

Stanley B. Tulin

## COMPENSATION TABLES AND OTHER MATTERS

## EXECUTIVE COMPENSATION TABLES

## Summary Compensation Table

Name and Principal Position	Year	Salary <sup>1</sup>	Bonus <sup>2</sup>	Stock Awards <sup>3</sup>	Option Awards <sup>4</sup>	Non-Equity Incentive Plan Compensation <sup>5</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings <sup>6</sup>	All Other Compensation <sup>7</sup>	Total
Anna Manning President and CEO	2018	\$992,308	---	\$2,812,518	\$1,017,261	\$1,308,840	\$375,734	\$193,761	\$6,700,422
	2017	\$950,000	---	\$2,433,807	\$881,403	\$2,400,574	\$273,375	\$102,364	\$7,041,523
	2016	\$750,000	---	\$1,500,034	\$654,218	\$1,370,662	\$166,420	\$307,550	\$4,748,884
Todd C. Larson Sr. EVP and CFO	2018	\$566,538	---	\$646,931	\$233,982	\$501,722	\$299,764	\$85,405	\$2,334,342
	2017	\$516,923	---	\$468,030	\$169,499	\$808,616	\$192,427	\$100,251	\$2,255,746
	2016	\$472,428	---	\$543,596	\$237,084	\$647,689	\$96,605	\$43,791	\$2,041,193
Alain P. Néemeh Sr. EVP and COO	2018	\$597,250	---	\$719,952	\$260,415	\$523,536	\$652,226	\$50,960	\$2,804,339
	2017	\$580,667	---	\$525,107	\$190,178	\$1,154,196	\$1,048,173	\$47,642	\$3,545,963
	2016	\$563,750	---	\$543,596	\$237,084	\$1,035,314	\$928,823	\$15,475	\$3,324,042
John P. Laughlin EVP, GFS	2018	\$570,385	---	\$517,484	\$187,178	\$816,914	\$416,198	\$61,362	\$2,569,521
	2017	\$541,923	---	\$408,748	\$148,032	\$859,743	\$386,542	\$57,481	\$2,402,469
Timothy T. Matson EVP, CIO	2018	\$460,000	---	\$310,490	\$112,307	\$630,025	\$153,334	\$74,518	\$1,740,674
	2017	\$457,696	---	\$276,044	\$99,951	\$843,944	\$143,322	\$87,378	\$1,908,335

1.

This column includes any amounts deferred at the election of the executive officers under the Company's Executive Deferred Savings Plan and retirement Savings Plan. For 2018, the base salary for Mr. Néemeh was determined in USD and converted to CAD on a monthly basis.

2. On January 9, 2015, the Company entered into a Cash Retention Award Agreement with Mr. Laughlin, whereby following the completion of his continuous employment with the Company until December 31, 2019, he will receive a gross cash payment of \$1,000,000, less applicable withholding taxes and deductions, if applicable, subject to the terms and conditions set forth in the agreement.

3. This column represents the grant date fair value of PCS units granted in such year, using probable outcomes of performance conditions, in accordance with Accounting Standards Codification: 718 – Compensation – Stock Compensation ("ASC 718"). For additional information on the valuation assumptions, refer to note 17 of the Company's financial statements in the Form 10-K for the year ended December 31, 2018, as filed with the SEC. See also "Grants of Plan-Based Awards in 2018" for information on awards made in 2018. These amounts reflect

the grant date fair value for these awards, and do not correspond to the actual value that may be recognized by the named executive officers.

This column represents the grant date fair value of SARs granted in such year, in accordance with ASC 718. For additional information on the valuation assumptions, refer to note 17 of the Company's financial statements in the 4. Form 10-K for the year ended December 31, 2018, as filed with the SEC. See also "Grants of Plan-Based Awards in 2018" for information on SARs granted in March 2018. These amounts reflect the grant date fair value for these awards and do not correspond to the actual value that may be recognized by the named executive officers.

Includes for all named executive officers, cash incentives earned for performance during each fiscal year and paid in 5. March of the following year (including any incentives deferred at the election of the executive officers) under the Annual Bonus Plan.

This column represents the sum of the change in pension value in each fiscal year for each of the named executive officers. The increase in pension value for 2018 is attributable to additional service and compensation as well as an 6. increase due to assumptions and age. We do not pay above-market or preferential earnings on any account balances; therefore, this column does not reflect any amounts relating to nonqualified deferred compensation earnings. See the "Pension Benefits in 2018" and "Nonqualified Deferred Compensation in 2018" tables for additional information.

The change in pension value for Mr. Néemeh represents the sum of the change in pension value in each fiscal year for the defined benefit executive retirement plan (SERP). The change in pension value for the Canadian executive retirement plan (SERP) is due to changes in interest rate assumptions as well service accrual and changes in the average pensionable earnings.

The change in pension value for Ms. Manning represents the sum of the change in pension value for the U.S. Pension Plans (which recognizes only two years of service) as well as the Canadian SERP. Ms. Manning has not accrued additional benefits under the Canadian SERP plan since her transfer to the U.S. in April 2016; however, the plan was affected by the changes in interest rate assumptions.

Amount includes contributions by the Company to the officers' accounts in qualified and nonqualified plans for the 2018 plan year. Includes life insurance premiums paid by the Company on behalf of Ms. Manning and Messrs. Larson, Néemeh, Laughlin and Matson. Amount also includes additional disability premiums paid by the Company on behalf of Mr. Néemeh in the amount of \$31,010 as well as Company contributions of \$10,395 to the Canadian 7. Pension Plan. Includes Company contributions for 2018 under the Savings Plan of \$19,250 for Ms. Manning and Messrs. Larson, Laughlin and Matson. Also includes Company contributions for 2018 under the Augmented Savings Plans of \$60,373 for Ms. Manning, \$20,628 for Mr. Larson, \$23,103 for Mr. Laughlin and \$5,236 for Mr. Matson. Includes Company matching contributions for 2018 under the Executive Deferred Savings Plan ("EDSP") of \$101,307 for Ms. Manning, \$39,666 for Mr. Larson and \$40,751 for Mr. Matson.

## Grants of Plan-Based Awards in 2018

This table provides the following information about equity and non-equity awards granted to the named executive officers in 2018: (1) the grant date; (2) the estimated future payouts under non-equity incentive plan awards, which consist of potential payouts under the Annual Bonus Plan award granted in 2018 for the 2018 performance period; (3) estimated future payouts under equity incentive plan awards, which consist of potential payouts under the PCS grants in 2018 for the 2018-2020 performance period; (4) all other option awards, which consist of the SARs granted to the named executive officers in 2018; (5) the strike price of the SARs granted, which reflects the closing price of Company stock on the date of grant and (6) the grant date fair value of each equity grant calculated under ASC 718.

## GRANTS OF PLAN-BASED AWARDS IN 2018

Name	Grant Date	Estimated Future Payments Under Non-Equity Incentive Plan Awards <sup>1</sup>		Estimated Future Payments Under Equity Incentive Plan Awards (Number of Shares) <sup>2</sup>			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options <sup>3</sup>	Exercise Price of Option Awards <sup>4</sup>	Grant Date Fair Value of Stock and Option Awards <sup>5</sup>
		Threshold	Target	Maximum	Threshold	Target				
Anna Manning	3/2/2018	\$750,000	\$1,500,000	\$3,000,000	---	---	---	---	---	---
		---	---	---	9,321	18,642	37,284	---	---	\$2,812,518
Todd C. Larson	3/2/2018	\$287,500	\$575,000	\$1,150,000	---	---	---	---	---	---
		---	---	---	2,144	4,288	8,576	---	---	\$646,931
Alain P. Néemeh	3/2/2018	\$300,000	\$600,000	\$1,200,000	---	---	---	---	---	---
		---	---	---	2,386	4,772	9,544	---	---	\$719,952
John P. Laughlin	3/2/2018	\$287,500	\$575,000	\$1,150,000	---	---	---	---	---	---
		---	---	---	1,715	3,430	6,860	---	---	\$517,484
Timothy T. Matson	3/2/2018	\$230,000	\$460,000	\$920,000	---	---	---	---	---	---
		---	---	---	1,029	2,058	4,116	---	---	\$310,490
		---	---	---	---	---	---	3,093	\$150.87	\$112,307

1. These columns reflect the potential value of the payment for 2018 performance under the ABP for each named executive if the minimum, target or maximum goals are satisfied. The potential payments are performance-driven and are therefore completely at risk. The performance measures, salary and bonus multiples for determining the payments are described in the CD&A. The bonus amount for actual 2018 performance was determined in March 2019 based on the metrics described in the CD&A and is included in the "Summary Compensation Table" in the column titled "Non-Equity Incentive Plan Compensation."

2. This column reflects the number of PCS units granted in March 2018 under our Flexible Stock Plan, which may convert into shares of Company stock at the end of the three-year performance period if the specified performance levels are achieved. The performance period commenced January 1, 2018 and ends December 31, 2020. If the threshold level of performance is met, the award of shares starts at 50% (target is 100% and maximum is 200%).

3. This column reflects the number of SARs granted in March 2018, which vest and become exercisable in four equal annual installments of 25%, beginning on December 31, 2018.

4. This column reflects the strike price per share of common stock for the SARs granted, which is the closing price of the common stock on March 2, 2018, the date the Compensation Committee approved the grants.

5. This column reflects the full grant date fair value of PCS units under ASC 718 and the full grant date fair value of SARs under ASC 718 granted to the named executive officers in 2018. See notes 2 and 3 of the "Summary

Compensation Table" for a discussion of fair value calculation related to the PCS and SARs respectively. For PCS units with the grant date of March 2, 2018, fair value is calculated using the closing price of Company stock of \$150.87.

For SARs with a grant date of March 2, 2018, fair value is calculated using the Black-Scholes value of \$36.31. For additional information on the valuation assumptions, refer to note 17 of the Company's financial statements in the Form 10-K for the year ended December 31, 2018, as filed with the SEC. These amounts reflect the grant date fair value, and do not correspond to the actual value that will be recognized by the named executive officers. For example, the PCS units are subject to specified performance objectives over the performance period, with 33.5% tied to Three-Year Adjusted Operating Return on Equity, 33.5% tied to Three-Year Adjusted Operating Income and 33% tied to Three-Year Book Value per Share, Excluding AOCI.

#### Outstanding Equity Awards at 2018 Year-End

The following table provides information on the 2018 year-end holdings of SARs, stock options and PCS by our named executive officers. This table includes vested and unvested SARs and option awards and unvested PCS grants with performance conditions that have not yet been satisfied. The vesting schedule for each grant is described in the footnotes following this table, based on the grant date. The market value of the stock awards is based on the closing market price of Company stock as of December 31, 2018, which was \$140.23. The PCS grants are subject to specified performance objectives over the performance period. For additional information about the option awards and stock awards, see the description of equity incentive compensation in the CD&A.

## OUTSTANDING EQUITY AWARDS AT 2018 YEAR-END

Grant Date	Number of Securities of Underlying Unexercised Options (Exercisable) <sup>2</sup>	Number of Securities of Underlying Unexercised Options (Unexercisable)	Equity Incentive Plan Awards:			Stock Awards			
			Number of Securities Underlying Unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested <sup>3</sup>	Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested <sup>3</sup>
Anna Manning									
2/19/2010	6,336			\$47.10	2/19/2020				
2/22/2011	8,326			\$59.74	2/22/2021				
2/28/2012	10,563			\$56.65	2/28/2022				
2/21/2013	11,210			\$58.77	2/21/2023				
3/7/2014	5,514			\$78.48	3/7/2024				
3/6/2015	8,340			\$90.06	3/6/2025				
12/1/2015		153,453		\$93.21	12/1/2025				
3/4/2016	20,010	6,671		\$93.53	3/4/2026				
3/3/2017	13,959	13,960		\$129.72	3/3/2027			18,762	\$2,630,995
3/2/2018	7,004	21,012		\$150.87	3/2/2028			18,642	\$2,614,168
Todd C. Larson									
2/19/2010	4,836			\$47.10	2/19/2020				
2/22/2011	5,753			\$59.74	2/22/2021				
2/28/2012	7,324			\$56.65	2/28/2022				
2/21/2013	7,799			\$58.77	2/21/2023				
3/7/2014	3,848			\$78.48	3/7/2024				
3/6/2015	3,926			\$90.06	3/6/2025				
3/4/2016	7,251	2,418		\$93.53	3/4/2026				
3/3/2017	2,684	2,685		\$129.72	3/3/2027			3,608	\$505,950
3/2/2018	1,611	4,833		\$150.87	3/2/2028			4,288	\$601,306
Alain P. Néemeh									
3/7/2014	5,514			\$78.48	3/7/2024				
3/6/2015	8,340			\$90.06	3/6/2025				
12/1/2015		102,302		\$93.21	12/1/2025				
3/4/2016	7,251	2,418		\$93.53	3/4/2026				
3/3/2017	3,012	3,012		\$129.72	3/3/2027			4,048	\$567,651
3/2/2018	1,793	5,379		\$150.87	3/2/2028			4,772	\$669,178
John P. Laughlin									
2/18/2009	2,753			\$32.20	2/18/2019				
2/19/2010	6,336			\$47.10	2/19/2020				
2/22/2011	5,753			\$59.74	2/22/2021				
2/28/2012	7,324			\$56.65	2/28/2022				
2/21/2013	7,799			\$58.77	2/21/2023				
3/7/2014	5,514			\$78.48	3/7/2024				



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3/6/2015	5,623		\$90.06	3/6/2025		
3/4/2016	4,892	1,631	\$93.53	3/4/2026		
3/3/2017	2,344	2,345	\$129.72	3/3/2027	3,151	\$441,865
3/2/2018	1,288	3,867	\$150.87	3/2/2028	3,430	\$480,989

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OUTSTANDING EQUITY AWARDS AT 2018 YEAR-END (Continued)

Grant Date	Option Awards <sup>1</sup>		Equity Incentive Plan Awards: Number of Securities Underlying Unearned Options	Option Exercise Price	Option Expiration Date	Stock Awards			
	Number of Securities of Underlying Options (Exercisable) <sup>2</sup>	Number of Securities of Underlying Options (Unexercisable)				Number of Shares or Units That Have Not Vested	Market Value of Shares or Units That Have Not Vested	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested <sup>3</sup>	Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested <sup>3</sup>
Timothy T. Matson									
3/6/2015	2,019			\$90.06	3/6/2025				
3/4/2016	2,374	1,188		\$93.53	3/4/2026				
3/3/2017	1,583	1,583		\$129.72	3/3/2027			2,128	\$298,409
3/2/2018	773	2,320		\$150.87	3/2/2028			2,058	\$288,593

Prior to February 2011, the Company granted stock options as the form of our long-term equity incentive awards.

The terms and conditions of the stock option grants are substantially similar to our SARs grants. The option awards also used an exercise price that was set at the closing price on the day of the award (the date of the February Compensation Committee meeting) and also expire 10 years after grant date. The vesting schedule for grants of stock options was five years, no portion of which vested in the first year, and 25% of which vested at the end of each of the four remaining years.

Stock options vest and become exercisable in four equal annual installments of 25%, on December 31 of the second, third, fourth and fifth years. SARs, which were first granted in 2011, generally vest over four years (25% of which vests at the end of each of the first four years). The December 2015 SARs granted to Ms. Manning and Mr. Néemeh vest fully on November 30, 2020.

These columns reflect the number of shares and estimated market value of grants of PCS. Because the relative return on equity measure is dependent upon public availability of financial results from our peer companies, our performance for the relative return on equity metric will not be approved by the Compensation Committee until late April 2019, after the filing of this Proxy Statement. Payments will be made in May 2019. These payments will be fully disclosed in our 2020 Proxy Statement. See "SARs and Option Exercises and Stock Vested in 2018" for more information on the payout of those awards. SEC rules require disclosure of the number of shares and estimated market value of PCS grants based on the next higher performance measure (target or maximum) that exceeds the previous fiscal year's performance. Accordingly, the number of shares and estimated market value for the PCS grants made in 2017 are disclosed assuming they are awarded at the target (100%) level and the 2018 grants are disclosed assuming they are awarded at the target (100%) level. The market or payout value is estimated using the closing price, \$140.23, of our common stock on December 31, 2018. The performance period for the 2017-2019 PCS grant is January 1, 2017 through December 31, 2019. The performance period for the 2018-2020 PCS grant is January 1, 2018 through December 31, 2020.

SARs and Option Exercises and Stock Vested in 2018

2018 SARs and Option Exercises - The following table provides information for the named executive officers regarding SARs and stock option exercises during 2018, including the number of shares acquired upon exercise and the value realized.



## 2018 SARS AND OPTION EXERCISES

Name	Option and SARS Awards <sup>1</sup>		Stock Awards <sup>2</sup>	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Anna Manning	7,056	\$822,198	6,330	\$946,652
Todd C. Larson	4,500	\$460,249	2,980	\$445,659
Alain P. Néemeh	—	—	6,330	\$946,652
John P. Laughlin	2,500	\$278,965	4,268	\$638,279
Timothy T. Matson	—	—	3,066	\$458,520

Ms. Manning exercised 7,056 options on November 30, 2018 with an average market value for the shares of \$148.72. Mr. Larson exercised 4,500 options on November 8, 2018 with an average market value for the shares of \$149.38. Mr. Laughlin exercised 500 options February 13, 2018 with an average market value for the shares of \$150.23, 1,000 options on November 27, 2018 with an average market value for the shares of \$146.27 and 1,000 options on November 28, 2018 with an average market value for the shares of \$150.00.

These columns represent amounts paid for the settlement of our PCS awards for the 2015-2017 performance period. Since the PCS Relative ROE measure is dependent upon public availability of financial results from our peer companies, our performance for the relative return on equity metric will not be approved by the Compensation Committee until late April 2019, after the filing of this Proxy Statement and the settlement of PCS awards for the 2016-2018 performance period will not be made until May 2019, so this information is not currently available for the 2016-2018 performance period. These payments will be fully disclosed in our 2020 Proxy Statement.

2015-2017 Performance Contingent Share Payout - Since the calculation of the PCS Relative ROE measure is dependent upon public availability of financial results from our peer companies, the payout results for the 2015-2017 PCS grants were not determined until late April 2018 and payments were not made until May 2018, after the 2018 Proxy Statement was published. Therefore, we are disclosing information regarding that PCS payout in the following table:

## 2015-2017 PERFORMANCE CONTINGENT SHARE PAYOUT

Name	Percentage Payout	Number of Shares Acquired on Payout	Value Realized on Payout
Anna Manning	107.0%	6,330	\$946,652
Todd C. Larson	107.0%	2,980	\$445,659
Alain P. Néemeh	107.0%	6,330	\$946,652
John P. Laughlin	107.0%	4,268	\$638,279
Timothy T. Matson	107.0%	3,066	\$458,520

2016-2018 Performance Contingent Share Payout - Since the calculation of the PCS Relative ROE measure is dependent upon public availability of financial results from our peer companies, our performance for the relative return on equity metric for the PCS awards for the 2016-2018 performance period will not be determined until late April 2019 and payments will not be made until May 2019, after the filing of this Proxy Statement. These payments will be fully disclosed in our 2020 Proxy Statement.

## Pension Benefits in 2018

## RETIREMENT PLAN ACCUMULATED BENEFITS

Name	Plan Names	Years of Service Credited	Present Value of Accumulated Benefit <sup>1</sup>	Payments During Last
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				Fiscal Year
	Performance Pension Plan	2	\$59,232	---
Anna Manning	Augmented Benefit Plan	2	\$620,225	---
	RGA Canada Supplemental Executive Retirement Plan (SERP)	9	\$1,977,646	---
Todd C. Larson	Performance Pension Plan	23	\$383,667	---
	Augmented Benefit Plan	23	\$1,055,745	---
Alain P. Néemeh	RGA Canada Supplemental Executive Retirement Plan (SERP)	22	\$4,840,169	---
John P. Laughlin	Performance Pension Plan	23	\$535,686	---
	Augmented Benefit Plan	23	\$1,964,126	---
Timothy T. Matson	Performance Pension Plan	3	\$87,948	---
	Augmented Benefit Plan <sup>1</sup>	3	\$316,360	---

The accumulated benefit for the U.S. plans is based on service and compensation (as described above) considered by the plans for the period through December 31, 2018. The present value has been calculated assuming the earliest retirement age at which the participant can elect an unreduced benefit. For additional discussion of the assumptions, see note 10 of the Company's financial statements in the Form 10-K for the year ended

December 31, 2018, as filed with the SEC. As described in such note, the interest assumptions for the qualified pension plan and the augmented benefit plan are 4.11% and 3.91%, respectively.

For Canadian executives participating in the SERP, the accumulated benefit is based on credited service and pensionable earnings up to December 31, 2018, using an interest rate of 3.2% for the first 10 years and 3.4% thereafter.

<sup>2</sup> For Mr. Laughlin, the Augmented Benefit Plan includes additional amounts credited when he joined the Company in 1995, payable as a monthly benefit at age 65.

#### Nonqualified Deferred Compensation in 2018

##### 2018 NONQUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions in Last FY <sup>1</sup>	Registrant Contributions in Last FY <sup>2</sup>	Aggregate Earnings in Last FY <sup>3</sup>	Aggregate Withdrawals/ Distributions at Last FYE <sup>4</sup>	Aggregate Balance
Anna Manning	\$99,231	\$51,513	\$(1,144)	\$0	\$167,197
Todd C. Larson	\$110,904	\$16,858	\$4,149	\$0	\$508,988
John P. Laughlin	\$0	\$25,378	\$(125,349)	\$(37,535)	\$3,165,708
Timothy T. Matson	\$810,158	\$17,201	\$(12,290)	\$0	\$1,221,239

<sup>1</sup> The amounts in this column are also included in the Summary Compensation Table in the "Salary" column (i.e., contributions to the EDSP).

<sup>2</sup> The amounts in this column reflect 2017 contributions credited to the participant's account during 2018. For reasons related to the timing of the contributions, the amounts will not match the amounts in the Summary Compensation Table's "All Other Compensation" column, which are contributions for 2018 which are actually made in 2019.

<sup>3</sup> Reflects earnings credited to the participant's account during 2018 in connection with the investment selections chosen from time to time by the participant.

<sup>4</sup> The aggregate balance at last fiscal year-end column reflects the following amounts that were reported in the Summary Compensation Table in 2017 for Ms. Manning in the amount of \$17,597, Mr. Larson in the amount of \$377,077, Mr. Laughlin in the amount of \$1,347,278 and Mr. Matson in the amount of \$406,170. The amount reported in 2017 for Mr. Laughlin did not include a dormant Executive Deferred Savings Plan account, which is a non-qualified deferred compensation plan assumed by the Company when Mr. Laughlin joined the Company in 1995. Participants are not allowed to make deferral contributions into this plan.

#### OTHER EXECUTIVE COMPENSATION MATTERS

##### Additional Compensation Disclosures

**No Employment or Severance Agreements.** We do not have employment, retention, severance or change-in-control agreements with any of our named executive officers.

**Perquisites.** We do not provide personal-benefit perquisites to our named executive officers or their families, such as airplanes, cars or apartments, and we do not reimburse executive officers or any of our employees for personal-benefit perquisites such as club dues or other social memberships. In some countries outside North America, it is our practice to provide remuneration and benefit packages that are competitive against the local or regional market to senior leaders, such as housing, club and car allowances. Executive officers and other employees may seek reimbursement for business-related expenses in accordance with our business expense reimbursement policy.

**Compensation Recovery.** Under the Sarbanes-Oxley Act, in the event of misconduct that results in a financial restatement that would have reduced a previously paid incentive amount, we can recoup those improper payments from our Chief Executive Officer and Chief Financial Officer.

Additionally, our Executive Incentive Recoupment Policy permits the Company to recoup all or a portion of incentive awards paid to certain executives upon the occurrence of certain recoupment events. Such events include: (i) a financial restatement due to the material noncompliance with any financial reporting requirement under the federal securities laws; (ii) receiving an incentive award based on materially inaccurate financial statements or any other materially inaccurate performance; (iii) causing injury to the interests or business reputation of the Company or of a business unit and (iv) a material violation of the Company's Principles of Ethical Business Conduct. The Company

can recoup incentive awards for up to four years following the payment of an award. The policy applies to an identified group of current and former officers and employees of the Company, as determined by the Board or the Compensation Committee from time to time based on position, responsibility, level, title, business unit and/or compensation. The Compensation Committee has express authority to interpret and administer the policy and to make all determinations with respect to the policy in its sole discretion.

**Deductibility of Compensation.** During 2017 Section 162(m) of the Internal Revenue Code generally placed a \$1 million limit on the amount of compensation a company can deduct in any one year for certain covered executive officers. While the Compensation Committee considered the deductibility of awards as one factor in determining executive compensation, it also looked at other factors in making its decisions and retains the flexibility to award compensation that it determines to be consistent with the goals of our executive compensation program even if the awards are not deductible for tax purposes.

Our 2017 performance-based compensation plans were designed in a manner intended to be exempt from the deduction limitation of Section 162(m) because they are paid based on the achievement of pre-determined performance goals established by the Compensation Committee pursuant to our shareholder-approved equity incentive plan. Awards with only time-based vesting requirements, which represent a portion of the equity awards granted to our executive officers, are not exempt from Section 162(m), and therefore will not be deductible to the extent the \$1 million limit of Section 162(m) is exceeded.

The exemption from Section 162(m)'s deduction limit for performance-based compensation has been repealed pursuant to U.S. Tax Reform, effective for taxable years beginning after December 31, 2017, such that compensation paid to our covered executive officers in excess of \$1 million will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017.

Despite the Compensation Committee's efforts to structure the executive team annual cash incentives and performance-based compensation in a manner intended to be exempt from Section 162(m)

and therefore not subject to its deduction limits, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m), including the uncertain scope of the transition relief under the legislation repealing Section 162(m)'s exemption from the deduction limit, no assurance can be given that compensation intended to satisfy the requirements for exemption from Section 162(m) in fact will. Further, the Compensation Committee reserves the right to modify compensation that was initially intended to be exempt from Section 162(m) if it determines that such modifications are consistent with the Company's business needs.

#### Termination or Change of Control Payments

As described above, the named executive officers do not have employment, severance or change of control agreements with the Company. The information below describes and quantifies certain compensation that may or will become payable under existing plans and agreements if the named executive officer's employment had terminated on or by December 31, 2018, due to a change of control, disability or death, given the executive's compensation and service levels as of such date and, when applicable, based on the Company's closing stock price on December 31, 2018 or actual date of disability, death, etc. These benefits are in addition to benefits available generally to salaried employees such as distributions under the 401(k) and pension plans, retiree medical benefits, disability benefits and accrued vacation pay.

**Change of Control.** In connection with a change of control (as defined below), the Compensation Committee has the authority to fully vest any unvested stock options or SARs granted before the change of control if the Committee determines such vesting is necessary to protect the rights of the named executive officers and other executives following such change of control. Our Flexible Stock Plan and award agreements provide that the Compensation Committee may (i) accelerate the vesting periods, (ii) arrange for us to purchase the options so the named executive officer receives the value that he or she would have attained had the option been currently exercisable, (iii) make such adjustments to the options then outstanding as the Committee deems appropriate to reflect such change of control or (iv) cause the options then outstanding to be assumed, or new options substituted therefore, by the surviving corporation in such change. Our SARs agreements allow awards to automatically accelerate upon a change of control. In addition, our Flexible Stock Plan and PCS grant agreements provide that upon a change of control, as soon as practicable following the end of the applicable three-year performance period, we must deliver to the named executive officer the number of shares that coincides with the target award for each outstanding grant of PCS.

**Disability or Death.** If one of the named executive officers were to become disabled or die, the vesting of any unvested stock options and SARs granted before the date of such event may be accelerated in the Committee's sole discretion. In addition, he or she would receive a pro rata proportion of the shares of common stock that would have been issued under any award of PCS at the end of the three-year performance period. The pro rata proportion is determined based on the number of calendar months in the performance period during which he or she was employed, divided by 36 months (the total number of months in the three-year performance period). To the extent that the transfer of one of the named executive officers' stock options and SARs is permitted at death by the Flexible Stock Plan or under another agreement, (i) the named executive officer's stock options and SARs shall be transferable to the beneficiary, if any, designated on forms prescribed by and filed with the Committee and (ii) upon the death of the named executive officer, such beneficiary shall succeed to the rights of the deceased to the extent permitted by law and the Flexible Stock Plan. If no such designation of a beneficiary has been made, the named executive officer's legal representative shall succeed to the options and SARs, which shall be transferable by will or pursuant to laws of descent and distribution to the extent permitted by the Flexible Stock Plan or under another agreement.

**Retirement.** Upon the "retirement" (as defined below) of a named executive officer, unvested stock options and SARs may be accelerated in the Committee's sole discretion and in accordance with the vesting schedule and provisions specified in the respective option grant agreement(s). Upon retirement, the pro rata distribution provisions described above under "Disability or Death" apply to any PCS grants. Due to the number of factors that affect the nature, amount and timing of the vesting and exercise of stock options or SARs, or the actual award following a PCS performance period, the amounts paid to or received by the named executive officer may differ and are undeterminable until actually realized.

The named executive officers may participate in deferred compensation plans that permit deferral of certain compensation. They also participate in our defined contribution and defined benefit retirement plans. The last column



of the table under "Nonqualified Deferred Compensation in Fiscal 2018" reports each named executive's aggregate balance at December 31, 2018, under each nonqualified deferred compensation or defined contribution plan. The named executive officers are entitled to receive the amount in their deferred compensation account in the event of termination of employment or retirement. The table under "Pension Benefits in Fiscal 2018" describes the general terms of each pension plan in which the named executive officers participate, the years of credited service and the present value of each named executive officer's accumulated pension benefit.

Definitions. "Change of Control" is defined in our Flexible Stock Plan and, for this discussion, means (i) the acquisition, without Board approval, of more than 20% of our outstanding common shares through a tender offer, exchange offer or otherwise, (ii) our liquidation or dissolution following a sale or other disposition of all or substantially all of our assets, (iii) a merger or consolidation involving us which results in us not being the surviving corporation or (iv) a change in the majority of the members of our Board of Directors during any two-year period not approved by at least two-thirds of the directors who were members at the beginning of the two-year period.

"Retirement" is defined in the respective equity incentive grant agreements and means termination of employment status after the participant has attained a combination of age and years of service that equals at least 65; provided that the maximum number of years of service credited for purposes of this calculation shall be ten. Thus, named executive officers who have attained age 55 and have 10 years of service satisfy the definition and are eligible for the benefits described above associated with retirement. At December 31, 2018, the named executive officers who satisfied this requirement were Ms. Manning and Mr. Laughlin.

The following table provides the value of equity awards that could accelerate and become exercisable or vested upon the occurrence of a change of control or if the named executive officer had become disabled or died as of December 31, 2018. The value calculations are based upon our stock price as of December 31, 2018 (\$140.23) and in the case of options reflect the payment of the respective option exercise price.

#### VALUE OF EQUITY AWARDS UPON CERTAIN EVENTS

Name	Change of Control		Disability or Death	
	Options/SARs	PCS/RSU (full award at target)	Options/SARs	PCS (pro rata)
Anna Manning	\$7,673,615	\$7,494,171	\$7,673,615	\$4,874,451
Todd C. Larson	\$141,140	\$1,922,273	\$141,140	\$1,352,434
Alain P. Néemeh	\$4,954,816	\$2,051,845	\$4,954,816	\$1,416,172
John P. Laughlin	\$100,814	\$1,472,695	\$100,814	\$1,004,618
Timothy T. Matson	\$72,117	\$987,359	\$72,117	\$695,527

#### CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing information about the relationship of the annual total compensation of our employees and the annual total compensation of Ms. Anna Manning, our President

and Chief Executive Officer (our "CEO"). This regulation requires us to identify our median employee by using consistently applied compensation measures ("CACMs") and then determine the ratio of our CEO's total annual compensation to the compensation of this employee. The pay ratio information included in this disclosure is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

During the 2018 fiscal year, there was no significant change in our employee population or employee compensation arrangements that we reasonably believe would result in a significant change to our pay ratio disclosure from the previous year. Therefore, when identifying the median employee, we chose to use the same median employee identified and disclosed in the Company's 2018 Proxy Statement. This median employee was selected from those individuals whose compensation is determined by the Company, which includes all of our regular employees, temporary fixed-term employees, temporary student employees, interns and coop employees who were working for the Company on October 31, 2017.

The total number of employees as of October 31, 2017 was determined to be 2,741 individuals working at our parent company and consolidated subsidiaries worldwide. As of October 31, 2018, there were 3,002 individuals working for the parent company and consolidated subsidiaries worldwide, a 9.5% change from the previous year. In addition, the 2018 median employee is still employed by the Company and received no change in pay circumstance in the previous fiscal year.

We used base salary and annual bonus to calculate our median employee, as these compensation measures apply consistently to all employees, across all locations of our employee population. The base salary of any permanent full-time employee who did not work the full year was annualized. We did not make any cost-of-living adjustments for non-U.S. employees in determining each employees' annual compensation. For foreign employees, a year-to-date average exchange rate was used for base salary and the spot rate for March 1, 2018 was used for the annual bonus payment.

We combined all of the elements of the median employee's compensation for 2018, in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$108,008. The annual total compensation of our CEO, as reported in the Summary Compensation Table included in this Proxy Statement, was \$6,700,422 in 2018. Based on this information, for 2018 the ratio of the annual total compensation of our CEO as compared to our median employee was 62:1.

Year CEO Pay Ratio

2019 62:1

2018 66:1

## ITEM 2 – SHAREHOLDERS' ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Dodd-Frank Act enables our shareholders to vote to approve, on an advisory basis (i.e., non-binding), the compensation of the named executive officers as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K (including in the Compensation Discussion and Analysis section, compensation tables and accompanying narrative disclosures).

The Company has a "pay-for-performance" philosophy that forms the foundation of all decisions regarding compensation of the named executive officers. This compensation philosophy, and the program structure approved by the Compensation Committee, is central to our ability to attract, retain and motivate individuals who can achieve superior financial results. Please refer to "[Compensation Discussion and Analysis – Overview](#)" for an overview of the compensation of the named executive officers.

A primary focus of the Compensation Committee is whether the Company's executive compensation program serves the best interests of the Company's shareholders. At the Company's 2018 Annual Meeting, a significant majority (98% of votes cast on the proposal) of our shareholders approved the compensation program described in the proxy statement for that meeting. This is consistent with our shareholder feedback at our previous annual meetings:

Annual Meeting Year Percentage of Votes Cast in Favor of "Say on Pay"

2018	98%
2017	98%
2016	98%
2015	98%
2014	97%
Five Year Average	98%

As part of its ongoing review of our executive compensation program, the Compensation Committee took the votes into consideration, along with an overall review of the compensation program, when making compensation decisions for 2018 and 2019. The Compensation Committee determined that the Company's executive compensation philosophy, objectives and elements continue to be appropriate.

We are asking our shareholders to approve the compensation of the named executive officers as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the "Compensation Discussion and Analysis" and "Compensation Tables and Other Matters" discussions. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the named executive officers and the policies and practices described in this Proxy Statement. This vote is advisory and therefore not binding on the Company, the Compensation Committee or the Board of Directors. However, the Board and the Compensation Committee value the opinions of our shareholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will carefully consider those shareholders' concerns when making future compensation decisions for the named executive officers and will evaluate whether any actions are necessary to address those concerns.

#### Vote Required

If a quorum is present, the vote required to approve this Item 3 is a majority of the common stock represented in person or by proxy at the Annual Meeting.

#### Recommendation of the Board of Directors

The Board of Directors recommends that shareholders vote FOR the proposal to approve the compensation of the named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

## AUDIT MATTERS

### AUDIT COMMITTEE REPORT

The Audit Committee has reviewed and discussed our 2018 audited financial statements with Company executives. The Audit Committee also discussed with the independent registered public accounting firm the matters required to be discussed as required by auditing standards of the Public Company Accounting Oversight Board ("PCAOB"), SEC Rule 2-07 of Regulation S-X, Statement of Auditing Standards ("SAS") No. 114, "The Auditor's Communication With Those Charged With Governance." The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by the applicable requirements of the PCAOB Rule 3526, and has discussed with those accountants their independence. Based on those reviews and discussions, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the SEC. This report is provided by the following independent directors, who comprise the Audit Committee:

Arnoud W.A. Boot, Chairman  
John F. Danahy  
John J. Gauthier  
Patricia L. Guinn  
Hazel M. McNeilage

### ITEM 3 - RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR

The final item to be acted upon at the Annual Meeting is the ratification of the appointment of Deloitte & Touche LLP and their related entities (collectively, "Deloitte") as the Company's independent auditor for the year ending December 31, 2019. The Audit Committee has appointed Deloitte subject to shareholder ratification. Deloitte has served as independent auditor of the Company since 2000. Its long-term knowledge of the Company and its subsidiaries, combined with its insurance industry expertise, has enabled it to carry out its audits of the Company's financial statements with effectiveness and efficiency.

In considering Deloitte's appointment, the Audit Committee reviewed the firm's qualifications and competencies, including the following factors:

- Deloitte's status as a registered public accounting firm with the PCAOB, as required by Sarbanes-Oxley and the Rules of the PCAOB;
- Deloitte's independence and its processes for maintaining its independence;
- the results of the independent review of the firm's quality control system;
- the key members of the engagement team for the audit of the Company's financial statements;
- Deloitte's approach to resolving significant accounting and auditing matters including consultation with the firm's national office; and
- Deloitte's reputation for integrity and competence in the fields of accounting and auditing.

The Audit Committee assures the regular rotation of the audit engagement team partners as required by law. The Audit Committee approves Deloitte's audit and non-audit services in advance as required under Sarbanes-Oxley and SEC rules. Under procedures adopted by the Audit Committee, the Audit Committee reviews, on an annual basis, a schedule of particular audit services that the Company expects to be performed and an estimated amount of fees for each particular audit service. The Audit Committee also reviews a schedule of audit-related, tax and other permitted non-audit services that the Company may engage the independent auditor to perform and an estimated amount of fees for each of those services.

All audit related services, tax services and other services were pre-approved by the Audit Committee, which concluded that the provision of such services by Deloitte was compatible with the maintenance of that firm's independence in the conduct of its auditing functions. The Audit Committee has adopted a Pre-Approval Policy which provides for pre-approval of audit, audit-related and tax services on an annual basis and, in addition, individual engagements anticipated to exceed pre-established thresholds must be separately approved. The policy authorizes the

Committee to delegate to one or more of its members pre-approval authority with respect to permitted services. Representatives of Deloitte will attend the 2019 Annual Meeting. They will have an opportunity to make a statement if they desire to do so and they will be available to respond to appropriate questions.

The aggregate fees billed to us for the years ending December 31, 2018 and 2017 by Deloitte are set forth below. These fees have been approved by the Company's Audit Committee in accordance with its Pre-Approval Policy.

**AUDITOR FEES**

Fee	Fiscal Year	
	2018	2017
Audit Fees <sup>1</sup>	\$10,421,793	\$9,546,677
Audit Related Fees <sup>2</sup>	1,630,153	285,745
Total audit and audit-related fees	12,051,946	9,832,422
Tax Fees <sup>3</sup>	63,906	114,791
Other	—	—
Total Fees	\$12,115,852	\$9,947,213

1. Includes fees for the audit of our Company's and its subsidiaries' annual financial statements, reviews of our quarterly financial statements and Sarbanes-Oxley Section 404 attestation.

2. Includes fees for services rendered by Deloitte for matters such as assistance with internal control reporting requirements, certain accounting consultations on potential acquisition and reinsurance transactions and services associated with SEC registration statements, periodic reports and securities offerings.

3. Includes fees for tax services rendered by Deloitte such as consultation related to tax planning and compliance.

**Vote Required**

If a quorum is present, the vote required to approve this Item 3 is a majority of the common stock represented in person or by proxy at the Annual Meeting.

**Recommendation of the Board of Directors**

The Board of Directors has approved the proposal regarding the appointment of Deloitte and recommends that shareholders vote FOR the proposal.

## STOCK OWNERSHIP

## SECURITIES OWNERSHIP OF DIRECTORS, MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth, as of December 31, 2018, certain information with respect to: (1) each person known by us to be the beneficial owner of 5% or more of our outstanding common stock and (2) the ownership of common stock by (i) each of our directors and nominees, (ii) each of our named executive officers and (iii) all directors, nominees and executive officers as a group.

## BENEFICIAL OWNERSHIP AS OF DECEMBER 31, 2018

Beneficial Owner	Amount and Nature of Percent of Beneficial Ownership <sup>1</sup> Class <sup>2</sup>	
<b>Significant Shareholders</b>		
Blackrock, Inc. 55 East 52nd Street New York, NY 10055	5,955,790 <sup>3</sup>	9.5%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	5,853,766 <sup>4</sup>	9.3%
<b>Directors, Nominees and Named Executive Officers:</b>		
<b>Non-Employee Directors</b>		
Arnoud W.A. Boot	7,029	*
John F. Danahy	17,467 <sup>5</sup>	*
Christine R. Detrick	5,038	*
J. Cliff Eason	8,800	*
John J. Gauthier	2,527	*
Patricia L. Guinn	960	*
Alan C. Henderson	22,862 <sup>6</sup>	*
Hazel M. McNeilage	527	*
Frederick J. Sievert	11,341	*
Stanley B. Tulin	7,342	*
<b>Named Executive Officers</b>		
Anna Manning	107,895 <sup>7</sup>	*
Todd C. Larson	72,275 <sup>8</sup>	*
Alain P. Néemeh	63,402 <sup>9</sup>	*
John P. Laughlin	78,795 <sup>10</sup>	*
Timothy T. Matson	10,979 <sup>11</sup>	*
All directors and executive officers as a group (18 persons)	488,957 <sup>12</sup>	0.78%

\*Less than 1%.

For purposes of this table, "beneficial ownership" is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person or group of persons is deemed to have "beneficial ownership" of any shares of common stock that such person has the right to acquire within 60 days. For computing the percentage of the class of securities held by each person or group of persons named above, any shares which such person or persons has the right to acquire within 60 days (as well as the shares of common stock underlying fully vested stock options or SARs) are deemed to be outstanding for the purposes of computing the percentage ownership of such person or group but are not deemed to be outstanding for the purposes of computing the percentage ownership of any

other person or group. No director, nominee or named executive officer owns more than 1% of our outstanding common stock.

2. Unless otherwise indicated, each named person has sole voting and investment power over the shares listed as beneficially owned and none of the shares listed are pledged as security.
3. As reported on Schedule 13G/A filed February 11, 2019, Blackrock, Inc. and its subsidiaries have sole voting and dispositive power over all the beneficially owned shares.  
As reported on Schedule 13G/A filed February 11, 2019, The Vanguard Group, Inc. shares dispositive voting power
4. of 24,101 shares with Vanguard Fiduciary Trust Company, its wholly-owned subsidiary and 50,596 shares with Vanguard Investments Australia, Ltd., its wholly-owned subsidiary.
5. Includes for Mr. Danahy 13,862 shares owned by John F. Danahy 2015 Grantor Retained Annuity Trust, of which Mr. Danahy is trustee.
6. Includes for Mr. Henderson 3,000 shares owned by Bess L. Henderson Trust, of which Mr. Henderson is trustee and primary beneficiary.
7. Includes for Ms. Manning 91,262 shares of common stock subject to stock options and/or SARs that are exercisable within 60 days.
8. Includes for Mr. Larson a total of 45,032 shares of common stock subject to stock options and/or SARs that are exercisable within 60 days. Mr. Larson shares voting and investment power for 4,928 shares with his spouse.
9. Includes for Mr. Néemeh 25,910 shares of common stock subject to stock options and/or SARs that are exercisable within 60 days.
10. Includes for Mr. Laughlin 49,626 shares of common stock subject to stock options and/or SARs that are exercisable within 60 days.
11. Includes for Mr. Matson 6,749 shares of common stock subject to stock options and/or SARs that are exercisable within 60 days.
12. Includes a total of 263,010 shares of common stock subject to stock options, restricted share units and/or SARs that are exercisable within 60 days.

#### EXECUTIVE STOCK OWNERSHIP GUIDELINES

In order to further align the interests of our management and our shareholders, our executive stock ownership guidelines provide that our senior executives should hold a specified number of shares of Company stock, expressed as a multiple of such executives' base salary, as follows:

Position	Share Ownership Requirement
President & Chief Executive Officer	8x Base Salary
Senior Executive Vice President	5x Base Salary
Executive Vice President	2x - 4x Base Salary
Senior Vice President	1x - 2x Base Salary

The number of shares includes only those shares of common stock that are directly or beneficially owned by the executive. Executives who are subject to the guidelines must retain the net shares (net of applicable taxes for PCS and, for SARs and stock options, the net of exercise cost and taxes) from any SARs and stock option exercise or award of PCS until they satisfy the applicable stock ownership requirement.

As of December 31, 2018, Messrs. Larson, Néemeh and Laughlin met their respective ownership requirements. Due to her promotion in 2017, Ms. Manning is subject to significantly higher ownership requirements and has not yet met her stock ownership requirement. Mr. Matson joined the Company in August 2014 and has not been employed by the Company for enough years to reasonably expect attainment of his stock ownership requirements.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who beneficially own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC and the NYSE. Directors, executive officers and greater than 10% shareholders are required by SEC regulation to furnish us with copies of all Forms 3, 4 and 5 they file.

Based solely on our review of the copies of such forms we have received or that were filed with the SEC, or written representations from certain reporting persons, we believe that all our directors, executive officers and greater than 10% beneficial owners complied with all filing requirements applicable to them with respect to transactions during 2018.



## ADDITIONAL INFORMATION

### QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

#### 1. Who is entitled to vote and how many votes do I have?

If you are a holder of record of Company common stock at the close of business on March 22, 2019, you are eligible to vote at the 2019 Annual Meeting. For each matter presented for vote, you have one vote for each share you own.

#### 2. How do I vote?

Your vote is important. Please cast your vote as soon as possible using one of the following methods.

**By Telephone or Internet.** All shareholders of record also can vote by touchtone telephone within the U.S., U.S. territories and Canada, using the toll-free telephone number on the proxy card, or through the Internet, using the procedures and instructions described on the proxy card. The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to vote their shares and to confirm that their instructions have been recorded properly. You can vote via the Internet ([www.proxyvote.com](http://www.proxyvote.com)) or via telephone by calling 1-800-690-6903 by 11:59 p.m., Eastern Time, on May 21, 2019.

**By Written Proxy.** All shareholders of record can vote by written proxy card. If you received a proxy card or voting instruction form in the mail, you may vote by completing, signing, dating and returning your proxy card in the return envelope provided to you in accordance with the instructions provided with the proxy card. If you sign and return your proxy card but do not mark any selections giving specific voting instructions, your shares represented by that proxy will be voted as recommended by the Board of Directors.

**In Person.** All shareholders of record may vote in person at the meeting. Whether you plan to attend the meeting or not, we encourage you to vote by proxy as soon as possible. The proxy committee will vote your shares according to your directions.

#### 3. Can I change my vote?

There are several ways in which you may revoke your proxy or change your voting instructions before the time of voting at the meeting:

- ✦Vote again by telephone or at the Internet website.
- ✦Mail a revised proxy card or voting instruction form that is dated later than the prior one.
- ✦Vote in person at the Annual Meeting.
- ✦Notify the Company's Corporate Secretary in writing that a prior proxy is revoked or voting instructions are changed.

Please note that, in order to be counted, the revocation or change must be received by 11:59 p.m., Eastern Time, on May 21, 2019.

#### 4. What is a Broker Non-Vote?

A "broker non-vote" occurs when a broker submits a proxy for the meeting with respect to a discretionary matter but does not vote on non-discretionary matters because the beneficial owner did not



provide voting instructions on those matters. Under NYSE rules, the proposal to ratify the appointment of independent auditors is considered a "discretionary" item. This means that brokerage firms may vote in their discretion on behalf of clients (beneficial owners) who have not furnished voting instructions at least 15 days before the date of the Annual Meeting. In contrast, all of the other proposals set forth in this Proxy Statement are "non-discretionary" items—brokerage firms that have not received voting instructions from their clients on these matters may not vote on these proposals.

5. Who pays for the solicitation of proxies?

The Company pays the cost of soliciting proxies. Proxies will be solicited on behalf of the Board of Directors by mail, telephone and other electronic means or in person.

6. How do I comment on Company business?

We collect comments from the proxy card if you vote by mailing the proxy card. You may also mail comments to our Corporate Secretary at our corporate headquarters. Although it is not possible to respond to each shareholder, your comments help us to understand your concerns.

7. Where can I find additional information about the Company?

The Company's website, [www.rgare.com](http://www.rgare.com), contains additional information about the Company, including: This Proxy Statement and our 2018 Annual Report to Shareholders;

Our Principles of Ethical Business Conduct, Directors' Code of Conduct and Financial Management Code of Professional Conduct (see page [12](#));

Our Board's Corporate Governance Guidelines and charters for the Audit, Compensation, Nominating and Governance and Finance, Investment and Risk Management Committees. The committee charters include a detailed description of the roles and responsibilities of each committee (see page [15](#));

The process by which interested parties and shareholders can communicate with our directors and the Board; and Additional financial information can be found in the Quarterly Financial Supplement on the Investor Relations portion of the website in the "Quarterly Results" tab in the "Featured Report" section.

Information on our website does not constitute part of this Proxy Statement.

You may also write us at our corporate headquarters, 16600 Swingley Ridge Road, Chesterfield, Missouri 63017, to receive the following information, without charge:

Shareholder Request

A copy of any of the codes of conduct or governance documents described above

A copy of our Articles of Incorporation, Bylaws, this Proxy Statement, form of proxy card and our Annual Report to Shareholders

Interested parties and shareholders may communicate directly with our Chairman of the Board, Mr. Eason

RGA Contact  
Investor  
Relations  
Corporate  
Secretary  
General  
Counsel

## VOTING

Each share of common stock outstanding at the close of business on the record date is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on. Under Missouri corporate law, the approval of any action taken at the Annual Meeting is based on votes cast. If a quorum is present, the votes necessary to approve all proposals or to act on any other matters properly brought before the meeting, are the affirmative votes of the holders of a majority of the shares of our common stock entitled to vote which are present in person or represented by proxy at the 2019 Annual Meeting.

Shareholder approval occurs if the votes cast in favor of the proposal exceed the votes cast against the proposal. "Votes cast" on these proposals means votes "for" or "against" a particular proposal. Abstentions and broker non-votes are not considered votes cast on these proposals and therefore have no effect on the outcome of these proposals. In uncontested elections, directors are elected by a majority of votes cast. Shares represented by proxies which are marked or voted "withhold authority" with respect to the election of any one or more nominees for election as Directors, proxies which are marked or voted "abstain" on the proposal to approve the Company's executive compensation or the proposal to ratify the appointment the Company's independent auditor, and proxies which are marked or voted to deny discretionary authority on any other matters will be counted for the purpose of determining the number of shares represented by proxy at the meeting. Such proxies will thus have the same effect as if the shares represented thereby were voted against such nominee or nominees, against the proposal to approve the Company's executive compensation, against the proposal to ratify the appointment of the Company's independent auditor and against any such other matters, respectively.

If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to that matter and thus will have no effect on the outcome of the vote with regard to such matters. Please note that brokers cannot vote uninstructed shares on your behalf in director elections or with regard to executive compensation matters. For your vote to be counted, you must submit your voting instruction form to your broker.

We know of no other matters to come before the meeting. If any other matters properly come before the meeting, the proxies solicited hereby will be voted on such matters in accordance with the judgment of the persons voting such proxies. Voting results will be disclosed in our Current Report on Form 8-K filed with the SEC within four business days following the 2019 Annual Meeting.

## HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more shareholders sharing the same address by delivering a single proxy statement addressed to those shareholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for shareholders and cost savings for companies. Some brokers household proxy materials, delivering a single proxy statement to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement or if your household currently receives multiple copies and would like to participate in householding in the future, please notify your broker.

## SHAREHOLDER PROPOSALS

Shareholder proposals submitted under the process prescribed by the SEC (in Rule 14a-8 of the Securities Exchange Act of 1934) for presentation at the 2020 Annual Meeting must be received by us by December 13, 2019, for inclusion in our Proxy Statement and proxy relating to that meeting. Upon receipt of any such proposal, we will determine whether or not to include such proposal in the Proxy Statement and proxy in accordance with regulations governing the solicitation of proxies. We currently anticipate that the 2020 Annual Meeting will be held on May 20, 2020.

In order for a shareholder to bring business before a shareholder meeting, timely notice must be given to us within the time limits described above. Such notice must include a description of the proposed business, any material interest of the shareholder proponent or beneficial owner (or their respective affiliates, associates and those with whom they are acting in concert) in the proposed business; the text of the proposal or business (including the text of any resolutions proposed); and a description of all agreements and arrangements between or among such shareholder, beneficial owner and their respective affiliates, associates and those with whom they are acting in concert, and any other person in connection with the proposal. Required disclosures should be updated and supplemented, if necessary, so that they are accurate as of the record date for a meeting and as of ten business days prior to the meeting. The shareholder proposing business or making a nomination (or a qualified representative of the shareholder) must appear at the applicable meeting of shareholders to present such business or nomination in order for it to be considered.

The Board or the presiding officer at the Annual Meeting may reject any such proposals that are not made in accordance with these procedures or that are not a proper subject for shareholder action in accordance with applicable law. The foregoing time limits also apply in determining whether notice is timely for purposes of rules adopted by the SEC relating to the exercise of discretionary voting authority. These requirements are separate from and in addition to the requirements a shareholder must meet to have a proposal included in our Proxy Statement. In each case, the notice must be given to our Secretary at our corporate headquarters.

## USE OF NON-GAAP FINANCIAL MEASURES

The Company uses a non-GAAP financial measure called adjusted operating income as a basis for analyzing financial results. This measure also serves as a basis for establishing target levels and awards under the Company's management incentive programs. Management believes that adjusted operating income, on a pre-tax and after-tax basis, better measures the ongoing profitability and underlying trends of the Company's continuing operations, primarily because that measure excludes substantially all of the effect of net investment related gains and losses, as well as changes in the fair value of certain embedded derivatives and related deferred acquisition costs. These items can be volatile, primarily due to the credit market and interest rate environment, and are not necessarily indicative of the performance of the Company's underlying businesses. Additionally, adjusted operating income excludes any net gain or loss from discontinued operations, the cumulative effect of any accounting changes, tax reform, and other items that management believes are not indicative of the Company's ongoing operations. The definition of adjusted operating income can vary by company and is not considered a substitute for GAAP net income. Reconciliations from GAAP net income are provided in the following tables.

Book value per share excluding AOCI is a non-GAAP financial measure that management believes is important in evaluating the balance sheet in order to ignore the effects of unrealized amounts primarily associated with mark-to-market adjustments on investments and foreign currency translation.

Adjusted operating return on equity is a non-GAAP financial measure calculated as adjusted operating income divided by average shareholders' equity excluding AOCI.

Effective with the first quarter of 2017, the Company modified the labeling of its non-GAAP measure "operating income" to "adjusted operating income."

Reinsurance Group of America, Incorporated and Subsidiaries  
Reconciliation of Non-GAAP Measures  
(Dollars in thousands)  
(Unaudited)

Net income to adjusted operating income	Twelve Months Ended			
	December 31			
	2018	2017	2016	
GAAP net income	\$715,842	\$1,822,181	\$701,443	
Reconciliation to adjusted operating income:				
Capital (gains) losses, derivatives and other, included in investment related (gains) losses, net	120,512	10,385	(21,322 )	
Capital (gains) losses on funds withheld, included in investment income	(1,757 )	(10,070 )	(18,330 )	
Embedded derivatives:				
Included in investment related (gains) losses, net	22,161	(114,979 )	(40,302 )	
Included in interest credited	(13,729 )	(26,169 )	(18,289 )	
DAC offset, net	8,272	70,382	30,787	
Investment income on unit-linked variable annuities	5,261	(7,201 )	(8,535 )	
Interest credited on unit-linked variable annuities	(5,261 )	7,201	8,535	
Non-investment derivatives	(160 )	67	(1,389 )	
Statutory tax rate changes	(62,173 )	(1,039,111)	---	
Adjusted operating income	\$788,968	\$712,686	\$632,598	
Earnings per share	Twelve Months Ended			
	December 31			
	2018	2017	2016	
Diluted earnings per share from adjusted operating income	\$12.12	\$10.84	\$9.73	
Earnings per share from net income:				
Basic earnings per share	\$11.25	\$28.28	\$10.91	
Diluted earnings per share	\$11.00	\$27.71	\$10.79	
Weighted average number of common and common Equivalent shares outstanding (diluted)	65,094	65,753	64,989	
Book value per share	At December 31			
	2018	2017	2016	2015
Common shares outstanding	62,814	64,452	64,303	65,205
Book value per share	\$134.53	\$148.48	\$110.31	\$94.09
Less:				
Accumulated currency translation adjustments	\$(2.69)	\$(1.34)	\$(2.68)	\$(2.78)
Unrealized appreciation of securities	\$13.63	\$34.14	\$21.07	\$14.35
Pension and postretirement benefits	\$(0.80)	\$(0.78)	\$(0.67)	\$(0.71)
Book value per share excluding AOCI	\$124.39	\$116.46	\$92.59	\$83.23









