

AMERICAN EXPRESS CO  
Form DEF 14A  
March 20, 2017

**Table of Contents**

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

CHECK THE APPROPRIATE BOX:

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

**AMERICAN EXPRESS COMPANY**

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

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

<input type="checkbox"/>	No fee required.
<input type="checkbox"/>	Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
	1) Title of each class of securities to which transaction applies:
	2) Aggregate number of securities to which transaction applies:
	3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
	4) Proposed maximum aggregate value of transaction:
	5) Total fee paid:
<input type="checkbox"/>	Fee paid previously with preliminary materials:
	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
	1) Amount previously paid:
	2) Form, Schedule or Registration Statement No.:
	3) Filing Party:
	4) Date Filed:

**Table of Contents**

2017

**AMERICAN EXPRESS COMPANY**

PROXY STATEMENT

---

**Table of Contents**

---

**Table of Contents**

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

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**WHEN**

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

**WHERE**

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

**RECORD DATE**

March 3, 2017

**ITEMS OF BUSINESS**

**To vote on the following proposals:**

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

Carol V. Schwartz  
Secretary  
March 20, 2017

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

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

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

2017 PROXY STATEMENT | 03

**Table of Contents**

**TABLE OF CONTENTS**

<b><u>3</u></b>	<b><u>NOTICE OF ANNUAL MEETING OF SHAREHOLDERS</u></b>
<b><u>5-9</u></b>	<b><u>PROXY SUMMARY AND VOTING ROADMAP</u></b>
<b><u>10-37</u></b>	<b><u>CORPORATE GOVERNANCE AT AMERICAN EXPRESS</u></b>
	<b><u>10</u></b> <b><u>ITEM 1</u></b> <b><u>Election of Directors for a Term of One Year</u></b>
	<b><u>10</u></b> <b><u>Board Composition</u></b>
	<b><u>14</u></b> <b><u>Our Director Nominees</u></b>
	<b><u>21</u></b> <b><u>Our Board's Independence</u></b>
	<b><u>22</u></b> <b><u>Our Corporate Governance Framework</u></b>
	<b><u>23</u></b> <b><u>Corporate Responsibility at American Express</u></b>
	<b><u>24</u></b> <b><u>Our Board's Role and Responsibilities, Structure and Processes</u></b>
	<b><u>29</u></b> <b><u>Shareholder Engagement</u></b>
	<b><u>30</u></b> <b><u>Board Committees</u></b>
	<b><u>32</u></b> <b><u>Compensation of Directors</u></b>
	<b><u>34</u></b> <b><u>Director and Officer Liability Insurance</u></b>
	<b><u>34</u></b> <b><u>Certain Relationships and Transactions</u></b>
<b><u>38-41</u></b>	<b><u>AUDIT COMMITTEE MATTERS</u></b>
	<b><u>38</u></b> <b><u>ITEM 2</u></b> <b><u>Ratification of Appointment of Independent Registered Public Accounting Firm</u></b>
	<b><u>40</u></b> <b><u>PricewaterhouseCoopers LLP Fees and Services</u></b>
	<b><u>41</u></b> <b><u>Report of the Audit and Compliance Committee</u></b>
<b><u>42-76</u></b>	<b><u>EXECUTIVE COMPENSATION</u></b>
	<b><u>42</u></b> <b><u>ITEM 3</u></b> <b><u>Advisory Resolution to Approve Executive Compensation (Say On Pay)</u></b>
	<b><u>43</u></b> <b><u>Compensation Discussion and Analysis</u></b>
	<b><u>60</u></b> <b><u>Report of the Compensation and Benefits Committee</u></b>
	<b><u>63</u></b> <b><u>Summary Compensation Table</u></b>
	<b><u>66</u></b> <b><u>Grants of Plan-Based Awards</u></b>
	<b><u>67</u></b> <b><u>Outstanding Equity Awards at Fiscal Year-End 2016</u></b>
	<b><u>68</u></b> <b><u>Option Exercises and Stock Vested in 2016</u></b>
	<b><u>69</u></b> <b><u>Retirement Plan Benefits</u></b>
	<b><u>70</u></b> <b><u>Nonqualified Deferred Compensation</u></b>
	<b><u>72</u></b> <b><u>Potential Payments Upon Termination or Change in Control (CIC)</u></b>
	<b><u>76</u></b> <b><u>ITEM 4</u></b> <b><u>Advisory Resolution to Approve the Frequency of Future Advisory Say on Pay Votes (Say on Frequency)</u></b>
<b><u>77-81</u></b>	<b><u>SHAREHOLDER PROPOSALS</u></b>
	<b><u>77</u></b> <b><u>ITEM 5</u></b> <b><u>Shareholder Proposal Relating to Action By Written Consent</u></b>
	<b><u>79</u></b> <b><u>ITEM 6</u></b> <b><u>Shareholder Proposal Relating to Gender Pay Equity Disclosure</u></b>
<b><u>82-83</u></b>	<b><u>STOCK OWNERSHIP INFORMATION</u></b>
<b><u>84-89</u></b>	<b><u>OTHER INFORMATION</u></b>
<b><u>90-91</u></b>	<b><u>ANNEX A INFORMATION REGARDING NON-GAAP FINANCIAL MEASURES</u></b>
<b><u>92</u></b>	<b><u>LOCATION OF THE 2017 ANNUAL MEETING</u></b>

**Table of Contents****PROXY SUMMARY AND VOTING ROADMAP**

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

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

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

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

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



## **Table of Contents**

### PROXY SUMMARY AND VOTING ROADMAP

Election of Directors for a Term of One Year

## **Director Attendance**

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

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

## **Board Highlights**

### **Average Tenure**

**7.5**

years

### **Average Age**

**64.2**

years

## **Corporate Governance Highlights**

Strong lead independent director

Diverse board

Regular board and committee refreshment and a mix of tenures

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

Board agenda includes multi-day strategy sessions

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

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

Annual election of all directors

Majority voting for directors

Proxy access

25 percent of shareholders can call special meetings

Active shareholder engagement

## Edgar Filing: AMERICAN EXPRESS CO - Form DEF 14A

Significant share ownership requirements for senior executives and directors

Annual board and committee performance evaluations

Ongoing board succession planning

Director access to experts and advisors, both internal and external

13 out of 14 directors are independent

06 | AMERICAN EXPRESS COMPANY

---

**Table of Contents**

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

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

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

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

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

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

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

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

**2016 Performance**

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

Accelerating revenue growth

Optimizing investments

Resetting our cost base

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

Healthy loan growth

Strong card acquisitions

Excellent credit performance

Disciplined operating expense control

Strong capital position

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

## Edgar Filing: AMERICAN EXPRESS CO - Form DEF 14A

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

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

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

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

2017 PROXY STATEMENT | 07

---

## **Table of Contents**

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

Advisory Resolution to Approve Executive Compensation (Say on Pay)

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

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

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

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

### **CEO Awarded TDC Mix**

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

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

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

**Table of Contents**

PROXY SUMMARY AND VOTING ROADMAP

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

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

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

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

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

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

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

2017 PROXY STATEMENT | 09

## Table of Contents

### CORPORATE GOVERNANCE AT AMERICAN EXPRESS

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

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

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

#### Board Composition

#### Ongoing Board Succession Planning

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

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

#### Attributes of Individual Nominees:

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

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

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

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

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

**Table of Contents**

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

**Identifying and Adding New Directors**

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

- 1 Collect Candidate Pool**
  - Independent Directors
  - Independent Search Firms