

GALLAGHER ARTHUR J & CO  
Form DEF 14A  
March 22, 2019  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**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

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Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**ARTHUR J. GALLAGHER & CO.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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(1) Amount Previously Paid:

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Arthur J. Gallagher & Co.

2850 Golf Road

Rolling Meadows, Illinois 60008-4050

Notice of 2019 Annual Meeting of Stockholders

Dear Stockholder:

We are pleased to invite you to the 2019 Annual Meeting of Stockholders of Arthur J. Gallagher & Co., which will be held on May 14, 2019, at 9:00 AM CDT, at 2850 Golf Road, Rolling Meadows, Illinois 60008-4050. At the meeting, stockholders will vote on each item described below and we will transact such other business that properly comes before the meeting.

**Voting Items**

**Board Recommendations**

Elect each of the 9 nominees named in the accompanying Proxy Statement as directors ~~FOR~~ **FOR** each nominee hold office until our 2020 Annual Meeting (Item 1)

Ratify the appointment of Ernst & Young LLP as our independent registered public ~~FOR~~ **FOR** accounting firm for the fiscal year ending December 31, 2019 (Item 2)

Approve, on an advisory basis, the compensation of our named executive officers (Item ~~FOR~~ **FOR**)  
Stockholders of record at the close of business on March 20, 2019 are entitled to notice of and to vote at the Annual Meeting. The applicable voting standard and the treatment of abstentions and broker non-votes for each of these items are set forth on page 35 of the Proxy Statement.

Stockholders who wish to attend the Annual Meeting in person should bring a driver's license, passport or other form of government-issued identification to verify their identities. In addition, if you hold your shares through a broker, you will need to bring either (1) a letter from your broker stating that you held Gallagher shares as of the record date, or (2) a copy of the notice of Annual Meeting document you received in the mail.

We urge you to read the Proxy Statement for additional information concerning the matters to be considered at the Annual Meeting and then vote in accordance with the Board's recommendations. Your vote is very important to us.

By Order of the Board of Directors

**WALTER D. BAY**

SECRETARY

March 22, 2019

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders  
to Be Held on May 14, 2019:**

We are making this Notice of Annual Meeting, this Proxy Statement, our 2018 Annual Report, and the Notice of Internet Availability of Proxy Materials available on the Internet at [www.materials.proxyvote.com/363576](http://www.materials.proxyvote.com/363576) and mailing copies of these proxy materials to certain stockholders on or about March 22, 2019.

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Corporate Governance

### **Item 1 Election of Directors**

#### **Evaluation Process for Director Candidates**

The Nominating/Governance Committee considers director candidates suggested by stockholders, management or other members of the Board and may hire consultants or search firms to help identify and evaluate potential director candidates. For information regarding how stockholders can submit a director candidate for consideration by the Nominating/Governance Committee, see page 36.

The Nominating/Governance Committee evaluates director candidates by considering their judgment, qualifications, attributes, skills, integrity, diversity, international business or other experience relevant to our global activities, and other factors it deems appropriate. The Committee looks for candidates who are leaders in the organizations with which they are affiliated and have experience in positions with a high degree of responsibility. The Committee seeks candidates free from relationships or conflicts of interest that could interfere with the director's duties to Gallagher or our stockholders. The Committee also evaluates candidates' independence and takes into account other applicable requirements for directors under Securities and Exchange Commission (SEC) rules and New York Stock Exchange (NYSE) listing standards.

#### **Board Diversity**

The Nominating/Governance Committee seeks Board members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. The Committee implements this policy through discussions among its members and assesses its effectiveness annually as part of the Committee's and the Board's self-evaluation process. The Committee has also used a search firm on occasion to help it identify highly qualified and diverse candidates.

#### **Board Nominees and Vote Required**

Upon the recommendation of the Nominating/Governance Committee, the Board has nominated our Chairman and CEO and each of the eight individuals listed below to hold office until the next annual meeting and the election and qualification of their successors or, if earlier, until their resignation, death or removal. Each of the nominees currently serves on the Board and has consented to serve for a new term if elected. However, if any nominee should become unable or unwilling to serve, the Board may nominate another person to stand for election or reduce the number of directors.

Each director nominee who receives more FOR votes than AGAINST votes at the Annual Meeting will be elected. Any incumbent director nominees who receive a greater number of votes AGAINST election than votes FOR election are required to tender their offer of resignation for consideration by the Nominating/Governance Committee in accordance with our Governance Guidelines.

In connection with the mandatory retirement age provision of our Governance Guidelines, the Board is not nominating Elbert O. Hand for re-election to the Board. We gratefully acknowledge Mr. Hand's distinguished service as a member of the Board of Directors since 2002.

### Independent Director Qualifications

The table below summarizes the key qualifications and areas of experience that led our Board to conclude that each independent director nominee is qualified to serve on our Board, but is not intended to be an exhaustive list of their qualifications or contributions to the Board.

	CEO Experience	Capital Markets	Legal / Finance Compliance Regulatory	Risk Management / Governance	Sales and Marketing	International	Insurance Industry
<b>Sherry S. Barrat</b>	X	X			X	X	X
<b>William L. Bax</b>			X		X		
<b>D. John Coldman</b>	X			X			X
<b>Frank E. English, Jr.</b>			X				X
<b>David S. Johnson</b>	X				X	X	X
<b>Kay W. McCurdy</b>			X	X	X		
<b>Ralph J. Nicoletti</b>			X		X		X
<b>Norman L. Rosenthal</b>			X		X		X

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ITEM 1: ELECTION OF DIRECTORS

THE BOARD RECOMMENDS THAT YOU VOTE **FOR**

THE ELECTION OF EACH OF THE DIRECTOR NOMINEES

LISTED BELOW

**Sherry S. Barrat**

**Age:** 69

**Director Since:** 2013

**Independent**

Ms. Barrat retired in 2012 as Vice Chairman of Northern Trust Corporation, a global financial holding company headquartered in Chicago, Illinois. She assumed the role of Vice Chairman in March 2011. From 2006 to 2011, Ms. Barrat served as Global President of Northern Trust's personal financial services business, which provides asset management, fiduciary, estate and financial planning, and private banking services to individuals and families around the world. During her 22-year career at Northern Trust, Ms. Barrat served in various other leadership roles and as a member of the Northern Trust Management Committee. Since 1998, Ms. Barrat has served as a director of NextEra Energy, Inc., one of the largest publicly traded electric power companies in the United States, where she serves on the compensation and finance committees. Since 2013, Ms. Barrat has also served as an independent trustee or director of certain Prudential Insurance mutual funds, where she serves on the investment review, governance & nominating and compliance committees.

**Committee Memberships:**

Compensation (Chair)

Nominating/Governance

**Skills and Qualifications**

**Public Company Boards:** 2

Ms. Barrat's qualifications to serve on our Board and chair our Compensation Committee include her executive management, operational and financial experience, in particular her deep understanding of the financial services industry and her experience leading a global client service and sales organization.

**William L. Bax**

**Age:** 75

**Director Since:** 2006

Mr. Bax was Managing Partner of the Chicago office of PricewaterhouseCoopers (PwC), an international accounting, auditing and consulting firm, from 1997 until his retirement in 2003, and was a partner in the firm for 26 years. Mr. Bax previously served as a director of Sears, Roebuck & Co., a publicly traded retail company, from 2003 to 2005; Andrew Corporation, a publicly traded communications products company, from 2006 to 2007; and mutual fund companies Northern Funds/Northern Institutional Funds, from 2006 to 2018.

**Independent**

**Skills and Qualifications**

**Committee Memberships:**

Audit (Chair)

Mr. Bax's qualifications to serve on our Board and chair our Audit Committee include his 26 years as a partner and six years as head of PwC's Chicago office, his tenure on the boards of two public companies and his experience advising public companies on accounting and disclosure issues.

**Public Company Boards:** 1

**D. John Coldman, OBE**

**Age:** 71

**Director Since:** 2014

Mr. Coldman began his career at WT Greig, a reinsurance broker. In 1988, he became Managing Director and in 1996 was appointed Chairman of The Benfield Group, the world's leading independent reinsurance and risk intermediary, until its acquisition by Aon Corporation in 2008. From 2001 to 2006, Mr. Coldman served as Deputy Chairman and a Member of Council of Lloyd's of London. He is also a past Chairman of Brit PLC, a publicly traded global specialty insurer and reinsurer, from 1996 to 2000, and Omega Insurance Holdings Limited, a publicly traded insurance and reinsurance group, from 2010 to 2012. Mr. Coldman served as the non-executive Chairman of Roodlane Medical Ltd., a privately held healthcare services provider, from 2007 to 2011. A U.K. citizen, Mr. Coldman was appointed an Officer of the Order of the British Empire (OBE) in the Queen's Birthday Honours List 2017, for services to business, young people, and charity.

**Independent**

**Skills and Qualifications**

**Committee Memberships:**

Compensation

**Public Company Boards:** 1

Mr. Coldman's qualifications to serve on our Board include his international insurance industry knowledge, his experience within the Lloyd's and London

marketplaces, and his experience with public company matters and mergers and acquisitions.

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## ITEM 1: ELECTION OF DIRECTORS

**Frank E. English, Jr.****Age:** 73**Director Since:** 2009**Independent**

From 1976 to 2009, Mr. English served in various senior roles at Morgan Stanley, a multinational investment bank and financial services company, finishing his tenure there as Managing Director and Vice Chairman of Investment Banking. Mr. English serves on the board of directors and the audit and compensation committees of Tower International, Inc., a publicly traded global automotive components manufacturer, where he has been a board member or board advisor since 2010. Since 2012, Mr. English has also served on the board of directors of Cboe Global Markets, a publicly traded holding company for various securities exchanges, including the largest options exchange in the United States, where he serves on the finance and strategy, nominating and governance, and compensation committees. From 2011 to 2017, Mr. English served as a Senior Advisor to W.W. Grainger, a publicly traded broad-based distributor of industrial maintenance, repair and operations supplies.

**Committee Memberships:**

Audit

**Skills and Qualifications****Public Company Boards:** 3

Mr. English's qualifications to serve on our Board include his extensive investment banking expertise, particularly in the areas of capital planning, strategy development, financing and liquidity management.

**J. Patrick Gallagher, Jr.****Age:** 67

Mr. Gallagher has spent his entire career with Arthur J. Gallagher & Co. in a variety of management positions, starting as a Production Account Executive in 1974, then serving as Vice President of Operations from 1985 to 1990, as President and Chief Operating Officer from 1990 to 1995, and as President and Chief Executive Officer since 1995. In 2011, Mr. Gallagher joined the board of directors of InnerWorkings, Inc., a global, publicly traded provider of managed print, packaging and promotional solutions, and was appointed to its compensation and nominating/governance committees. He also serves on the

**Director Since:** 1986

Board of Trustees of the American Institute for Chartered Property Casualty Underwriters and on the Board of Founding Directors of the International Insurance Foundation.

**Chairman of the Board Since:**

2006

### **Skills and Qualifications**

**Public Company Boards:** 2

Mr. Gallagher is the only member of management serving on the Board. His 44 years of experience with our company and 33 years of service on the Board, his deep knowledge of our company and the insurance industry and his extensive leadership experience greatly enhance the Board's decision making and enable Mr. Gallagher to serve as a highly effective Chairman of the Board.

**David S. Johnson**

**Age:** 62

**Director Since:** 2003

**Independent Lead Director Since:** 2016

Mr. Johnson has served as Chief Executive Officer of North America for Aryzta AG, a publicly traded global food business, since January 2018, where he also serves on the company's group executive committee. From 2009 to 2017, he served as President and Chief Executive Officer of the Americas for Barry Callebaut AG, the world's largest manufacturer of cocoa and chocolate products, where he also served on the global executive committee. Mr. Johnson served as President and Chief Executive Officer, and as a member of the board, of Michael Foods, Inc., a food processor and distributor, from 2008 to 2009, and as Michael Foods' President and Chief Operating Officer from 2007 to 2008. From 1986 to 2006, Mr. Johnson served in a variety of senior management roles at Kraft Foods Global, Inc., a global food and beverage company, most recently as President of Kraft Foods North America, and as a member of Kraft Foods Management Committee. Prior to that, he held senior positions in marketing, strategy, operations, procurement and general management at Kraft Foods.

**Committee Memberships:**

Compensation

### **Skills and Qualifications**

Nominating/Governance

**Public Company Boards:** 1

Mr. Johnson's qualifications to serve on our Board and as Lead Director include his experience as a senior executive of global businesses and his knowledge of corporate governance and executive compensation best practices.





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## ITEM 1: ELECTION OF DIRECTORS

**Kay W. McCurdy****Age:** 68**Director Since:** 2005

Ms. McCurdy practiced corporate and finance law from 1975 to 2019 at the law firm of Locke Lord LLP, where she was a partner from 1983 to 2012 and Of Counsel from 2012 to 2019. She served on the firm's Executive Committee from 2004 to 2006. During her career as a corporate and finance attorney, Ms. McCurdy represented numerous companies on a wide range of matters, including financing transactions, mergers and acquisitions, securities offerings, executive compensation and corporate governance. Ms. McCurdy served as a director of Trek Bicycle Corporation, a leading bicycle manufacturer, from 1998 to 2007. In recognition of her ongoing commitment to director education and boardroom excellence, the National Association of Corporate Directors (NACD) has named Ms. McCurdy a NACD Governance Fellow every year since 2010. She is also a director of the Chicago chapter of NACD.

**Independent****Committee Memberships:****Skills and Qualifications**

Compensation

Nominating/Governance (Chair)

Ms. McCurdy's qualifications to serve on our Board and chair the Nominating/Governance Committee include her experience advising companies regarding legal, public disclosure, corporate governance, mergers and acquisitions and executive compensation issues.

**Public Company Boards:** 1**Ralph J. Nicoletti****Age:** 61**Director Since:** 2016

Mr. Nicoletti has served as Senior Vice President and Chief Financial Officer of The AZEK Company LLC, a privately held building products company, since January 2019. Mr. Nicoletti served as Executive Vice President and Chief Financial Officer of Newell Brands, Inc., a publicly traded consumer goods company, from June 2016 to December 2018, and as Executive Vice President and Chief Financial Officer of Tiffany & Co., a publicly traded jewelry business, from April 2014 to May 2016. Prior to joining Tiffany, Mr. Nicoletti was Executive Vice President and Chief Financial Officer of Cigna Corporation, a publicly traded global health services and insurance company, from 2011 to

**Independent**

2013; and of Alberto Culver, Inc., a publicly traded manufacturer and distributor of beauty products, from 2007 to 2011. Prior to that, Mr. Nicoletti held a number of financial management positions at Kraft Foods, Inc., finishing his tenure there as Senior Vice President of Corporate Audit.

**Committee Memberships:**

Audit

**Skills and Qualifications**

**Public Company Boards: 1**

Mr. Nicoletti's qualifications to serve on our Board include his experience as a senior executive of global businesses, his deep financial management expertise and his experience managing privacy and cybersecurity.