LOEWS CORP
Form DEF 14A
March 28, 2018
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:

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 under §240.14a-12

LOEWS CORPORATION

(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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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:

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.

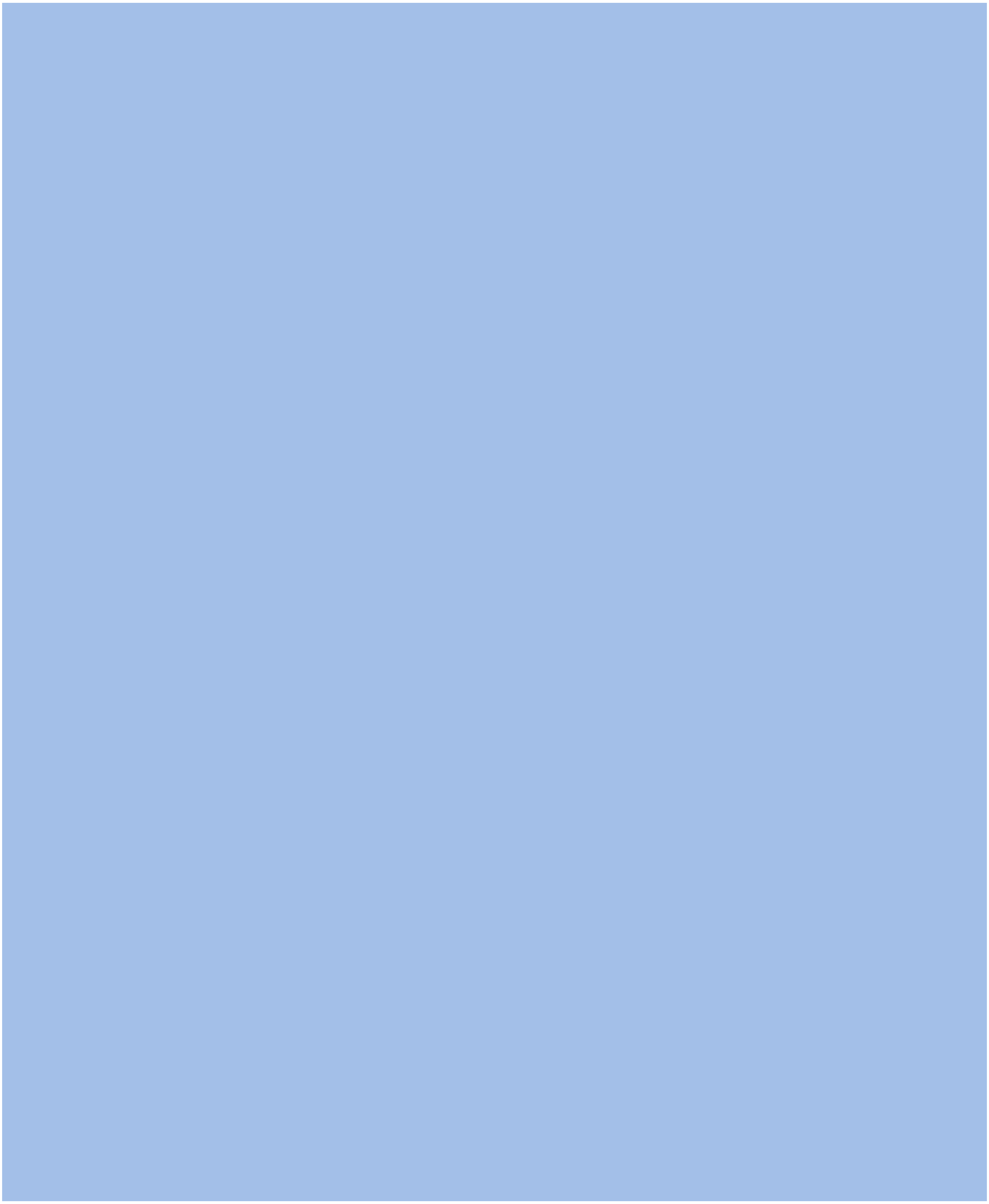
(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents



667 Madison Avenue

New York, NY 10065-8087

Notice of

2018

Annual Meeting

of Shareholders

AGENDA:

1 To elect thirteen directors named in this proxy statement;

2 To approve, on an advisory basis, the company s executive compensation;

3 To ratify the appointment of our independent auditors for 2018; and

4 To transact any other business as may properly come before the meeting or any adjournment or postponement. Shareholders of record at the close of business on March 15, 2018 are entitled to notice of and to vote at the meeting and any adjournment or postponement.

DATE:

Tuesday, May 8, 2018

TIME:

11:00 a.m. Eastern Time

PLACE:

Loews Regency New York Hotel

540 Park Avenue, New York, New York

RECORD DATE:

March 15, 2018

YOUR VOTE IS IMPORTANT. PLEASE VOTE AS PROMPTLY AS POSSIBLE BY USING THE INTERNET OR TELEPHONE, OR IF YOU RECEIVED A PAPER COPY OF THE PROXY MATERIALS, BY SIGNING, DATING AND RETURNING THE ACCOMPANYING PROXY CARD.

By order of the Board of Directors,

Marc A. Alpert

Senior Vice President, General Counsel and Secretary

March 28, 2018

Table of Contents

Table of Contents

Contents

We are providing this Proxy Statement in connection with the solicitation by our Board of Directors (our Board) of proxies to be voted at our 2018 Annual Meeting of Shareholders (our Annual Meeting), which will be held at the Loews Regency New York Hotel, 540 Park Avenue, New York, New York, on Tuesday, May 8, 2018, at 11:00 a.m., Eastern Time.

Our mailing address is 667 Madison Avenue, New York, New York 10065-8087. Please note that throughout this Proxy Statement we refer to Loews Corporation as we, us, our, Loews or the company.

Table of Contents

Proxy Summary

Important Notice Regarding the Availability of Proxy Materials for our Annual Meeting.

This Proxy Statement, our 2017 Annual Report, including our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 15, 2018, and the proxy card are available at *www.loews.com/reports.*

AGENDA AND VOTING MATTERS

Proposal	Board Recommendation	Page Reference
Proposal 1: Elect the thirteen directors listed below	**FOR**	5
Proposal 2: Approve on an advisory basis the company s executive compensation	**FOR**	21
Proposal 3: Ratify the appointment of the company s independent auditors for 2018	**FOR**	51
Transact such other business as may properly come before the meeting or any adjournment or postponement thereof.		

DIRECTOR NOMINEES

Name & Title	Age	Director Since	Audit	Compensation	Nominating & Governance	Executive
Ann E. Berman Retired Senior Advisor to the President, Harvard University	65	2006				
Joseph L. Bower Donald K. David Professor Emeritus, Harvard Business School	79	2001		CHAIR		
Charles D. Davidson Venture Partner, Quantum Energy Partners	68	2015				
Charles M. Diker Managing Partner, Diker Management, LLC, Chairman, Cantel Medical Corp.	83	2003				
Jacob A. Frenkel Chairman, JPMorgan Chase International	75	2009				
Paul J. Fribourg Chairman, President and CEO, Continental Grain Company Lead Independent Director	64	1997			CHAIR	
Walter L. Harris President and CEO, FOJP Service Corp. and Hospital Insurance Co.	66	2004	CHAIR			
Philip A. Laskawy Retired Chairman and CEO, Ernst & Young LLP	76	2003				
Susan Peters Retired Chief Human Resources Officer, General Electric Company	64					
Andrew H. Tisch Office of the President, Co-Chairman of the Board, Loews Corporation	68	1985				CHAIR
James S. Tisch Office of the President, President and Chief Executive Officer, Loews Corporation	65	1986				

Jonathan M. Tisch Office of the President, Co-Chairman of the Board, Chairman and CEO, Loews Hotels	64	1986
Anthony Welters Executive Chairman, Black Ivy Group, LLC	63	2013

Further information regarding our director nominees is included under the heading Director Nominees beginning on page 7.

Table of Contents

Proxy Summary

CORPORATE GOVERNANCE HIGHLIGHTS

Our corporate governance framework reinforces our goal of building long-term value for shareholders.

Board Independence

The Board has determined that all of our directors and nominees (other than the members of our Office of the President) are independent under our independence standards and the New York Stock Exchange listing standards.

Members of our Office of the President are our only management directors.

Independent directors regularly hold executive sessions at Board meetings, which are chaired by our lead director.

Accountability to Shareholders

All of our directors are elected annually.

Our directors are elected by a majority voting standard in uncontested elections.

Shareholders are invited to submit questions to our Chief Executive Officer and Chief Financial Officer on our quarterly earnings calls.

Board Composition and Evaluation	Our Board consists of directors with a diverse mix of skills, experience and background. Our Board and Board committees each undertake a robust annual self-evaluation process.
Board Committees	We have four Board committees Audit, Compensation, Nominating and Governance, and Executive. Each of our Audit, Compensation and Nominating and Governance Committees is composed entirely of independent directors.
Leadership Structure	We have a separate Chief Executive Officer and Co-Chairmen of the Board. Our lead director is fully independent and empowered with broadly defined authorities and responsibilities. Our lead director is also Chairman of our Nominating and Governance Committee, which is responsible for developing our corporate governance principles.
Risk Oversight	Our Board is responsible for risk oversight. It regularly reviews enterprise risk management and related policies, processes and controls, and oversees management in its assessment and mitigation of risk.
Director and Officer Stock Ownership	Our independent directors are required to own shares of our stock having a value of at least three times their annual cash retainer. Our executive officers and directors as a group own a substantial percentage of our outstanding common stock. We only have a single class of common stock, so this substantial stock ownership directly aligns our executive officers and directors with our other shareholders.
Compensation Governance	Our fully independent Compensation Committee oversees all aspects of our executive compensation program.

We structure a large majority of our executive officers compensation to be performance based.

We have an annual shareholder advisory vote to approve named executive officer compensation.

Compensation for certain of our executives is subject to clawback.

We do not maintain employment agreements or agreements to pay severance upon a change in control with any of our executive officers.

Ethics and Corporate Responsibilities

Our Code of Business Conduct and Ethics is disclosed on our website.

We have an active and robust ethics and compliance program, which includes regular employee training.

Proposal No. 1:

Election of Directors

Lawrence S. Bacow and Ken Miller, two of our current Board members, have informed the Board that they will step down as directors immediately prior to our 2018 Annual Meeting. The Board would like to thank each of them for their years of distinguished service to Loews and the Board. The Board has determined to fix the number of directors constituting the full Board at thirteen, as of the 2018 Annual Meeting. Accordingly, at the Annual Meeting, shareholders will vote to elect a Board of thirteen directors to serve until the next annual meeting of shareholders and until their respective successors are duly elected and qualified. These thirteen nominees include twelve current directors and one new director nominee, Susan Peters. It is the intention of the persons named in the accompanying form of proxy, unless you specify otherwise, to vote for the election of the nominees named below. Our Board has no reason to believe that any of the persons named will be unable or unwilling to serve as a director and each has agreed to be nominated in this Proxy Statement.

If any nominee is unable or unwilling to serve, we anticipate that either:

- proxies will be voted for the election of a substitute nominee or nominees recommended by our Nominating and Governance Committee and approved by our Board; or

- our Board will adopt a resolution reducing the number of directors constituting our full Board.

Director Nominating Process

In evaluating potential director nominees for recommendation to our Board, our Nominating and Governance Committee seeks individuals with exceptional talent and ability and experience from a wide variety of backgrounds to provide a diverse spectrum of experience and expertise relevant to a diversified business enterprise such as ours.

In identifying, evaluating and nominating individuals to serve as directors, our Board and its Nominating and Governance Committee do not rely on any preconceived diversity guidelines or rules. Rather, our Board and its Nominating and

Although we have no minimum qualifications, a candidate should represent the interests of all shareholders, and not those of a special interest group, have a reputation for integrity and be willing to make a significant commitment to fulfilling the duties of a director.

Governance Committee believe that Loews is best served by directors with a wide range of perspectives, professional experiences, skills and other individual qualities and attributes.

Our Nominating and Governance Committee will screen and evaluate all recommended director nominees (including those validly proposed by shareholders) based on these criteria, as well as other relevant considerations.

Further information regarding the process for a shareholder to recommend a director nominee can be found below under Submissions or Nominations for our 2019 Annual Meeting on p. 56 in the Annual Meeting Information section. Our Nominating and Governance Committee will retain full discretion in considering its nomination recommendations to our Board.

Table of Contents

Proposal No. 1: Election of Directors

Director Independence

Our Board has determined that the following directors and nominees, constituting a majority of our directors and nominees, are independent under our independence standards and the listing standards of the New York Stock Exchange: Lawrence S. Bacow, Ann E. Berman, Joseph L. Bower, Charles D. Davidson, Charles M. Diker, Jacob A. Frenkel, Paul J. Fribourg, Walter L. Harris, Philip A. Laskawy, Ken Miller, Susan Peters and Anthony Welters. We refer to these directors in this Proxy Statement as our independent directors. Our Board considered all relevant facts and circumstances and applied the independence standards described below, which are consistent with New York Stock Exchange listing standards, in determining that none of our independent directors has any material relationship with us or our subsidiaries.

Our Board has established the following standards to determine director independence.

A director would not be considered independent if any of the following relationships exists:

- during the past three years the director has been an employee, or an immediate family member has been an executive officer, of Loews;
- the director or an immediate family member received, during any twelve-month period within the past three years, more than $120,000 in direct compensation from Loews, excluding director and committee fees, pension payments and certain forms of deferred compensation;
- the director is a current partner or employee or an immediate family member is a current partner of a firm that is Loews s internal or external auditor, an immediate family member is a current employee of such a firm and personally works on the company s audit or, within the last three years, the director or an immediate family member was a partner or employee of such a firm and personally worked on Loews s audit within that time;
- the director or an immediate family member has at any time during the past three years been employed as an executive officer of another company where any of Loews s present executive officers at the same time serves or served on that company s compensation committee; or
- the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, Loews for property or services in an amount which, in any of the last three years, exceeded the greater of $1 million or 2% of the other company s consolidated gross revenues.

In considering Dr. Frenkel s independence, the Board noted that he serves as Chairman of JPMorgan Chase International, a unit of JPMorgan Chase & Co., where he concentrates on international strategy and global economic issues. From time to time, for many years, Loews and its subsidiaries have had commercial banking and investment banking relationships with JPMorgan Chase & Co. Dr. Frenkel has not had, and is not expected to have, any role in any current or potential future relationships between Loews or any of its subsidiaries and JPMorgan Chase & Co., or any direct or indirect material interest therein.

In considering Mr. Harris s independence, the Board noted that he has a majority ownership interest in certain insurance brokerage firms which, from time to time, receive brokerage commissions from insurance company subsidiaries of our subsidiary, CNA Financial Corporation. Mr. Harris may not participate and has not participated in the Audit Committee s consideration of these related party transactions. All business placed with CNA by such insurance brokerage firms was pursuant to written agreements on CNA s standard forms, is typical of the products offered by CNA to its brokers and commissions were paid in accordance with a schedule that is standard to CNA brokerage contracts of this type. Mr. Harris does not participate in placements of business with CNA. Mr. Harris has informed Loews that these commissions were less than the greater of $1 million or 2% of the consolidated gross revenues of such firms during each of the last three years. In 2017, commissions totaled approximately $23,000.

Table of Contents

Proposal No. 1: Election of Directors

Director Nominees

Information about each nominee for director and the nominee s age, principal occupation during the past five years and individual qualifications and attributes are set forth below. Unless otherwise noted in this Proxy Statement, no entity related to a nominee is affiliated with Loews.

Ann E. Berman

AGE:

65

DIRECTOR SINCE:

2006

Retired advisor to the President of Harvard University. Ms. Berman is also a director of Eaton Vance Corporation and Cantel Medical Corp.

EXPERIENCE: Ms. Berman s experience, including having served as Vice President of Finance and Chief Financial Officer of Harvard University, has provided her with a deep knowledge of the complex financial issues faced by large institutions such as Loews. In addition, her past service on the board of the Harvard Management Company, which oversees the management of Harvard s endowment, gives her extensive experience in dealing with large and diverse investment portfolios such as those maintained by Loews and its subsidiaries. This knowledge and experience is valuable to our Board and qualifies her to serve as one of the two financial experts on our Board s Audit Committee.

Joseph L. Bower

AGE:

79

DIRECTOR SINCE:

Donald K. David Professor Emeritus at Harvard Business School since July 2014. Prior to July 2014, Professor Bower served as Baker Foundation Professor of Business Administration at Harvard University. Professor Bower is also a director of Anika Therapeutics, Inc. and New America High Income Fund, Inc. He was also a director of Sonesta International Hotels Corporation from 1984 until 2012.

2001	**EXPERIENCE:** Professor Bower has served as a Professor of Business Administration for over 45 years. For many years his scholarship has had a particular emphasis on corporate management, organization and leadership. His study and knowledge in this area serve to enhance our Board s ability to fulfill its oversight responsibility with respect to Loews s management.

Table of Contents

Proposal No. 1: Election of Directors

Charles D. Davidson

AGE:

68

DIRECTOR SINCE:

2015

Venture Partner at Quantum Energy Partners, a private equity fund specializing in investments in energy businesses, since 2015. Mr. Davidson served as Chief Executive Officer of Noble Energy Inc., an independent producer of oil and natural gas, from 2000 through 2014, and was Chairman of the Board of Noble until his retirement in May 2015. Mr. Davidson is also a director, and is expected at the end of March 2018 to become Chairman, of Jagged Peak Energy, Inc.

EXPERIENCE: Mr. Davidson has worked in the oil and gas industry for over forty years, including as President and Chief Executive Officer of Noble. His extensive experience with oil and gas operations, as well as management of a large, complex, multinational organization, give him knowledge and insights that are valuable to our Board, particularly in overseeing the business of our energy industry subsidiaries, Diamond Offshore Drilling Inc. and Boardwalk Pipeline Partners, LP.

Charles M. Diker

AGE:

83

DIRECTOR SINCE:

2003

Managing Partner of Diker Management LLC, a registered investment adviser. Mr. Diker is also the Chairman of the Board of Cantel Medical Corp.

EXPERIENCE: Mr. Diker has had wide-ranging experience in the investment advisory field, as well as in the management or on the boards of several operating businesses. This combination of experiences as an investment professional and a key executive at operating companies is a valuable attribute Mr. Diker brings to our Board, particularly in light of Loews s varied investment and business interests.

Jacob A. Frenkel

AGE: **75**	Chairman of JPMorgan Chase International, the international unit of bank JPMorgan Chase & Co., a member of the International Council of JPMorgan Chase & Co., and Chairman of the Board of Trustees of the Group of Thirty, a nonprofit consultative group on international economic and monetary affairs. Dr. Frenkel is also a director of Boston Properties, Inc.
DIRECTOR SINCE: **2009**	**EXPERIENCE:** Dr. Frenkel brings to our Board broad experience in international economic and monetary affairs. He has held senior executive positions at large financial institutions and governmental bodies, served as Governor of the Bank of Israel and also has served as a Professor of International Economics at the University of Chicago. This wide-ranging experience has provided Dr. Frenkel with valuable knowledge and skills which allow him to make important contributions to the work of our Board.

Paul J. Fribourg

AGE:

64

DIRECTOR SINCE:

1997

Lead Director

Chairman of the Board, President and Chief Executive Officer of Continental Grain Company, an international agribusiness and investment company. Mr. Fribourg is also a director of Estee Lauder Companies, Inc., Restaurant Brands International, Inc., and Apollo Global Management, LLC.

EXPERIENCE: Mr. Fribourg has had extensive and practical hands-on experience as the Chief Executive Officer of Continental Grain Company, a major industrial company with broad international operations. This background gives Mr. Fribourg particular insight into many of the business decisions that come before our Board.

Walter L. Harris

AGE:

66

DIRECTOR SINCE:

2004

Since November 2014, President and Chief Executive Officer of FOJP Service Corporation, a provider of risk management services to hospitals, long-term care facilities and social service agencies in New York City, and Hospitals Insurance Company, a provider of insurance coverages and services to hospitals, long-term care facilities, physicians and healthcare professionals in New York State. Prior to that, Mr. Harris was an independent consultant, and from December 2010 until June 2013, he was Vice Chairman of Alliant Insurance Services, Inc. and President of its wholly-owned subsidiary, T&H Group, Inc., an insurance brokerage firm.

EXPERIENCE: Mr. Harris has extensive experience and knowledge regarding the commercial insurance industry, which is particularly valuable to our Board in light of Loews s significant interest in the insurance industry as represented by one of our principal subsidiaries, CNA.

Philip A. Laskawy

AGE: **76** **DIRECTOR SINCE:** **2003**	Retired Chairman and Chief Executive Officer of Ernst & Young LLP, an international accounting firm. Mr. Laskawy is also a director of Henry Schein, Inc. and Lazard Ltd. He was a director of General Motors Corporation from 2009 until 2013 and Federal National Mortgage Association (Fannie Mae) from 2008 until 2014. **EXPERIENCE:** Mr. Laskawy brings to our Board extensive knowledge of and skills in financial and accounting matters, having served as Chairman and Chief Executive Officer of one of the largest public accounting firms in the United States. This qualifies him to serve as one of the two financial experts on our Board s Audit Committee. Mr. Laskawy s knowledge and skills are especially valuable to our Board in understanding and dealing with financial and accounting issues.

Table of Contents

Proposal No. 1: Election of Directors

Susan Peters

AGE: **64**	Retired Senior Vice President of Human Resources of General Electric Company, a global digital industrial company, a position which she held from July 2013 until December 2017. Prior to that she was Vice President, Executive Development & Chief Learning Officer at General Electric.
DIRECTOR SINCE: **N/A**	**EXPERIENCE:** Ms. Peters experience during her 38-year career at General Electric, in which she held positions of increasing responsibility and which culminated in her serving as the chief human resources officer and a member of the senior leadership team, has provided her with deep domain expertise in talent management, operational optimization, executive compensation and leadership development at the highest level that will serve our Board well.

Andrew H. Tisch

AGE: **68**	Co-Chairman of the Board, Chairman of the Executive Committee and a member of the Office of the President of Loews. Mr. Tisch is also a director of our subsidiaries, CNA, Diamond Offshore and the general partner of Boardwalk Pipeline. He was also a director of K12 Inc. from 2001 to 2017.
DIRECTOR SINCE: **1985**	**EXPERIENCE:** Mr. Tisch has served as a member of Loews s Office of the President since 1999 and, prior to that time, had served the company in a number of other executive positions. This experience has provided him with broad knowledge of and insight into Loews and its operations and businesses and has enabled him to be instrumental in providing our company with strategic direction and operational oversight. Our Board and its Nominating and Governance Committee believe that his

direct experience in managing Loews s business, as well as his institutional knowledge, is of critical importance to our Board in fulfilling its responsibilities.

James S. Tisch

AGE: **65**	President and Chief Executive Officer and a member of the Office of the President of Loews. Mr. Tisch is also a director of General Electric Company, and our subsidiary, CNA, and Chairman of the Board of our subsidiary, Diamond Offshore.
DIRECTOR SINCE: **1986**	**EXPERIENCE:** Mr. Tisch has served as a member of Loews s Office of the President since 1999 and, prior to that time, had served the company in a number of other executive positions, giving him extensive knowledge of Loews, its operations and the businesses in which it is engaged, and enabling him to be instrumental in providing our company with both strategic direction and day-to-day operational oversight. Our Board and its Nominating and Governance Committee believe that his direct experience in managing Loews s business, as well as his institutional knowledge, is of critical importance to our Board in fulfilling its responsibilities.

Table of Contents

Proposal No. 1: Election of Directors

Jonathan M. Tisch

AGE: **64**	Co-Chairman of the Board and a member of the Office of the President of Loews, and Chairman and, since October 2016, Chief Executive Officer of our subsidiary, Loews Hotels.
DIRECTOR SINCE: **1986**	**EXPERIENCE:** Mr. Tisch has served as a member of Loews s Office of the President since 1999 and, prior to that time, had served the company in a number of other executive positions. This experience has provided him with broad knowledge of and insight into Loews and its operations and businesses and has enabled him to be instrumental in providing our company with strategic direction and operational oversight. Our Board and its Nominating and Governance Committee believe that his direct experience in managing Loews s business, as well as his institutional knowledge, is of critical importance to our Board in fulfilling its responsibilities.

Anthony Welters

AGE: **63** **DIRECTOR SINCE:** **2013**	Executive Chairman of Black Ivy Group, LLC, a values-driven investment company that builds and grows commercial enterprises in Sub-Saharan Africa, since 2013. Mr. Welters served as Senior Advisor to the Office of the Chief Executive Officer of UnitedHealth Group Incorporated from 2014 until his retirement in 2016. Prior to that he was Executive Vice President and a Member of the Office of the Chief Executive Officer of UnitedHealth Group and led its Public and Senior Markets Group. He joined UnitedHealth Group in 2002 upon its acquisition of AmeriChoice, a healthcare company he founded in 1989. He is also an attorney. Mr. Welters is also a director of the Carlyle Group and was a director of West Pharmaceutical Services, Inc. from 1997 until 2016 and of C.R. Bard, Inc. from 1999 to 2017.

EXPERIENCE: Mr. Welters   experience as a senior executive at a large, complex health insurance company, as well as his service as a director of several public companies and his work with numerous educational and philanthropic organizations, give him a range of knowledge and skills that are very valuable to our Board.

FAMILY RELATIONSHIPS.

James S. Tisch and Andrew H. Tisch are brothers. Jonathan M. Tisch is the cousin of James S. Tisch and Andrew H. Tisch.

Our Board recommends a vote **FOR** each of the nominees listed above to be elected as a director of our Company.

Table of Contents

Board Governance Information

Board Governance Information

Corporate Governance

Effective corporate governance is essential to our goal of building long-term value for shareholders. Our governance principles are detailed in our Corporate Governance Guidelines, which are reviewed annually and updated as needed, including in response to evolving best practices and regulatory requirements. We also have a Code of Business Conduct and Ethics which applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer.

For more information on our governance practices and policies, please see Corporate Governance Highlights on p. 4 in the Proxy Summary section.

GOVERNANCE DOCUMENTS

The following governance documents are available on our website in the Investors/Media section under Governance at *www.loews.com* and are available in print to any shareholder who requests a copy by writing to our Corporate Secretary:

- Corporate Governance Guidelines
- Compensation Committee Charter
- Code of Business Conduct and Ethics
- Nominating and Governance Committee Charter
- Audit Committee Charter

Board Leadership Structure

Our Board s current leadership structure consists of two Co-Chairmen of the Board, Andrew H. Tisch and Jonathan M. Tisch, both of whom are members of the Office of the President, and a lead director, presently Paul J. Fribourg, who is also Chairman of our Board s Nominating and Governance Committee. Loews s Chief Executive Officer and third member of its Office of the President, James S. Tisch, does not currently serve in a formal leadership capacity on our

Board.

Our Board believes that this structure provides input, guidance and leadership for the Board from both senior management, as represented by the Co-Chairmen of the Board, and the non-management directors, as represented by the lead director, which assists the Board in effectively fulfilling its oversight role. Our Board also believes that the current exclusion of Loews s Chief Executive Officer from its leadership structure helps to achieve an appropriate balance between the differing perspectives of management and non-management directors during the course of its proceedings.

The lead director plays an important role in our Board s leadership structure. Non-management directors meet in executive session after each regular meeting of our Board. The lead director chairs these meetings of non-management directors. Our lead director also currently serves as Chairman of the Nominating and Governance Committee, the principal Board committee charged with responsibility for the Board s leadership structure. In this dual role, the lead director facilitates the ability of non-management directors to fulfill their responsibilities and provides a structure for communicating any concerns that non-management directors may have directly to Loews s senior management.

Table of Contents

Board Committees

Our Board has a standing Audit Committee, Compensation Committee, Nominating and Governance Committee and Executive Committee.

The following table shows the current members and chairs of each of our Audit, Compensation and Nominating and Governance Committees and their primary responsibilities.

AUDIT	
CHAIR: Walter Harris	**PRIMARY ROLE**
OTHER MEMBERS: Lawrence S. Bacow, Ann E. Berman Joseph L. Bower, Charles M. Diker Paul J. Fribourg, Philip A. Laskawy **2017 MEETINGS HELD: 7** Each of the members is an independent director and satisfies the additional independence and other requirements for Audit Committee members provided for in the listing standards of the New York Stock Exchange and the rules of the Securities	The Audit Committee assists our Board in fulfilling its responsibility to oversee: the integrity of our financial statements; our compliance with legal and regulatory requirements; the qualifications and independence of our independent auditors; the performance of our internal audit function and independent auditors;

and Exchange Commission.

Additionally, Ms. Berman and Mr. Laskawy have been designated as audit committee financial experts under the rules of the Securities and Exchange Commission.

our systems of disclosure controls and procedures and internal controls over financial reporting; and

compliance with ethical standards adopted by Loews.

Our Audit Committee has sole authority to appoint, retain, compensate, evaluate and terminate our independent auditors and to approve all engagement fees and terms for our independent auditors.

COMPENSATION

CHAIR: Joseph L. Bower

OTHER MEMBERS:

Charles D. Davidson Charles M. Diker

Paul J. Fribourg

2017 MEETINGS HELD: 2

Each of the members is an independent director and satisfies the additional independence requirements for Compensation Committee members provided for in the listing standards of the New York Stock Exchange, the rules of the Securities and Exchange Commission and Section 162(m) of the Internal Revenue Code, prior to its amendment in December 2017.

PRIMARY ROLE

The Compensation Committee assists our Board in discharging its responsibilities relating to compensation of our executive officers. These responsibilities include:

reviewing our general compensation philosophy for executive officers;

overseeing the development and implementation of compensation programs; and

reviewing compensation levels, including incentive and equity-based compensation, for executive officers, directors and Board committee members.

Our Compensation Committee determines and approves compensation for our executive officers and administers our incentive and equity-based compensation plans.

Table of Contents

Board Governance Information

NOMINATING AND GOVERNANCE COMMITTEE

CHAIR: Paul J. Fribourg

OTHER MEMBERS:

Joseph L. Bower   Jacob A. Frenkel

Walter L. Harris   Ken Miller

Anthony Welters

2017 MEETINGS HELD: 3

Each of the members is an independent director.

PRIMARY ROLE

The Nominating and Governance Committee s primary function is to identify individuals qualified to become members of our Board and recommend to our Board a slate of director nominees for election at our annual meetings of shareholders.

The Committee also develops and recommends to our Board a set of corporate governance principles, which are detailed in our Corporate Governance Guidelines.

Executive Sessions of Non-Management Directors

Our non-management directors meet in regular executive sessions without management participation. Paul J. Fribourg, who serves as our lead director, presides at these meetings.

Director Attendance at Meetings

During 2017, there were seven meetings of our Board, seven meetings of our Audit Committee, two meetings of our Compensation Committee and three meetings of our Nominating and Governance Committee. During 2017, each of our directors attended at least 75% of the total number of meetings of our Board and committees of our Board on which that director served. Our Board encourages all directors to attend our annual meetings of shareholders. All of our directors then serving attended our 2017 annual meeting of shareholders.

Table of Contents

Board Oversight of Risk Management

Our Board recognizes the importance of understanding, evaluating and, to the extent practicable, managing enterprise risk in the financial health of Loews and all its business enterprises.

BOARD

As part of its oversight responsibility, our Board has Loews s management provide periodic reports to systematically identify the principal risks facing the company and its subsidiaries, identify and evaluate policies and practices that promote a culture that actively balances risk and reward, and evaluate risk management practices. These reports enable non-management directors to conduct meaningful and substantive discussions concerning these issues with senior management through the conduit of the lead director and during full Board deliberations.

OFFICE OF PRESIDENT

LEAD INDEPENDENT DIRECTOR

AUDIT COMMITTEE

MANAGEMENT

RISK COUNCIL Chair: **Chief Financial Officer** Other Members: **Representatives of Different Functional Areas**	The Risk Council assists Loews s management in reporting appropriate information and analysis regarding enterprise risk management to our Board. It reviews Loews s enterprise risk management framework, including the strategies, policies, procedures and systems established by Loews management and each of its subsidiaries to identify, assess, measure and manage the material risks facing Loews and its subsidiaries, and periodically reports to our Office of the President, Board and Audit Committee.

Share Ownership Guidelines for Directors

Our Board has adopted minimum share ownership guidelines for directors who are not employees or officers of Loews. Under these guidelines, each non-management director will be required to own shares having a value (determined as of the time the shares are acquired) of at least three times the annual cash retainer payable to directors (which is currently $100,000 per year). Directors will have until our 2019 Annual Meeting of Shareholders to accumulate the requisite shares. Newly elected directors will have until the date of the third annual meeting after they are first elected to accumulate the requisite shares. Shares owned by immediate family members or in certain trusts and unissued shares underlying restricted stock units will be counted toward satisfying the requirement. Our Nominating and Governance Committee, or the committee chair acting by delegated authority, will have the authority to grant exceptions to the guidelines for hardship reasons should any arise.

Table of Contents

Board Governance Information

Director Compensation

During 2017, each of our non-management directors received a cash retainer of $25,000 per quarter and an annual award of restricted stock units (RSUs) having a value of $100,000 at the date of grant under the Loews Corporation 2016 Incentive Compensation Plan (our Incentive Compensation Plan). Dividend equivalent amounts accrue on these RSUs (in the form of additional RSUs) as dividends are paid on our Common Stock.

In addition, members of our Audit Committee each received a cash retainer of $6,250 per quarter, and the committee chair received an additional $10,000 per quarter. Members of our Compensation Committee and Nominating and Governance Committee each also received a cash retainer of $2,500 per quarter, and the committee chairs received an additional $5,000 per quarter. Our lead director received an additional quarterly retainer of $5,000.

Our non-management directors may elect to defer some or all of their cash compensation under our Executive Deferred Compensation Plan, described in Deferred Compensation, below, and some or all of their equity compensation pursuant to our Incentive Compensation Plan.

The following table shows information regarding the compensation of our non-management directors during the year ended December 31, 2017.

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option/SAR Awards(2)	Total
Lawrence S. Bacow	$125,000	$100,000	$0	$225,000
Ann E. Berman	125,000	100,000	0	225,000
Joseph L. Bower	165,000	100,000	0	265,000

Charles D. Davidson	107,500	100,000	0	207,500
Charles M. Diker	135,000	100,000	0	235,000
Jacob A. Frenkel	135,000	100,000	0	235,000
Paul J. Fribourg	185,000	100,000	0	285,000
Walter L. Harris	175,000	100,000	0	275,000
Philip A. Laskawy	125,000	100,000	0	225,000
Ken Miller	110,000	100,000	0	210,000
Anthony Welters	107,500	100,000	0	207,500

(1) These amounts represent the grant date fair value of RSUs, calculated in accordance with the Financial Accounting Standards Board s (FASB) ASC Topic 718. At December 31, 2017, the aggregate number of RSUs outstanding for each non-management director was 2,139.

(2) Prior to 2016, our non-management directors were granted stock appreciation rights (SARs) under the Loews Corporation Stock Option Plan (our Stock Option Plan). At December 31, 2017, the aggregate number of SAR awards outstanding for each non-management director was as follows: Lawrence S. Bacow, 39,000; Ann E. Berman, 54,000; Joseph L. Bower, 60,000; Charles D. Davidson, 9,000; Charles M. Diker, 60,000; Jacob A.

Frenkel, 49,500; Paul J. Fribourg, 60,000; Walter L. Harris, 60,000; Philip A. Laskawy, 60,000; Ken Miller, 57,000; and Anthony Welters, 20,250.

Table of Contents

Transactions with Related Persons

Our Audit Committee Charter requires our Audit Committee to review and approve all related party transactions required to be disclosed under Securities and Exchange Commission rules. It has been our Audit Committee s practice, however, to review and approve or ratify any transaction, regardless of the size or amount, involving us or any of our subsidiaries in which any of our directors, director nominees, executive officers, principal shareholders or any of their immediate family members has had or will have a direct or indirect material interest, without the participation of any member who may be involved in the transaction. All related party transactions are submitted to our General Counsel for review and reported to our Audit Committee for its consideration. In each case, the Audit Committee considers, in light of all of the facts and circumstances it deems relevant, whether the transaction is fair and reasonable to us.

Our Audit Committee reviewed and approved or ratified each of the following 2017 related party transactions:

Andrew H. Tisch, James S. Tisch and Jonathan M. Tisch, the members of our Office of the President, and members of their families have chartered our aircraft for personal travel from time to time. For the use of our owned aircraft, charters are done through an unaffiliated management company and the charterer pays us a fixed hourly rate plus a fuel surcharge which equals or exceeds our out-of-pocket operating costs. For the use of an aircraft in which we hold a fractional interest, the charterer pays us a rate that closely approximates our incremental cost. The total amount reimbursed or paid to us in 2017 in connection with this aircraft travel was $1,321,846.

Joan H. Tisch, the late mother of Jonathan M. Tisch, a member of Loews s Office of the President, leased an apartment at the Loews Regency New York Hotel pursuant to a lease approved by our Audit Committee in 2001. The lease became effective upon the death of her late husband, Preston R. Tisch, our former Co-Chairman of the Board, in late 2005. The rent was stated in the lease and adjusted upward each year by an amount equal to the increase in the consumer price index during the prior year. Mrs. Tisch separately paid rent for another room at the hotel in an amount that was determined based on an analysis of market rates for comparable extended stay rentals at the hotel. Mrs. Tisch and her estate paid the hotel an aggregate of $922,050 for these rentals in 2017.

Alexander Tisch, son of Andrew H. Tisch, is employed as a Vice President in Loews s Corporate Development Department and as Executive Vice President, Commercial & Business Development at Loews Hotels. Mr. Tisch, an at-will employee, earned compensation of $978,769 in 2017 and participated in benefit programs available to salaried employees generally. In February 2017, he was granted 4,614 restricted stock units under our Incentive Compensation Plan.

Benjamin Tisch, son of James S. Tisch, is employed as a Vice President in Loews s Corporate Development Department. Mr. Tisch, an at-will employee, earned compensation of $925,000 for 2017 and participated in benefit programs available to salaried employees generally. In February 2017, he was granted 4,614 restricted stock units under our Incentive Compensation Plan.

Also during 2017, Loews provided members of the Tisch family with general office services and security services for which the company was reimbursed an amount that management believes to be a reasonable estimate of the value of these services. The total amount reimbursed for these services in 2017 was $178,278.

Table of Contents

Stock Ownership

Stock Ownership

Principal Shareholders

The following table shows certain information about all persons who, to our knowledge, were the beneficial owners of 5% or more of our Common Stock as of March 9, 2018 (unless otherwise indicated). All shares reported were owned beneficially by the persons indicated unless otherwise indicated below.

Name and Address	Amount Beneficially Owned	Percent of Class
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	22,705,670 [(1)]	7.0%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	19,667,564 [(2)]	6.0
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	17,733,302 [(3)]	5.5
JPMorgan Chase & Co. 270 Park Avenue New York, NY 10017	16,942,404 [(4)]	5.2

James S. Tisch	16,571,955 [(5)]	5.1

c/o Barry L. Bloom

655 Madison Avenue, 19th Floor

New York, NY 10065

(1) This information is based on a Schedule 13G report filed by T. Rowe Price Associates, Inc. on February 14, 2018. According to the report, T. Rowe Price Associates, Inc. has sole voting power with respect to 8,542,339 shares and sole dispositive power with respect to 22,669,320 shares.

(2) This information is based on a Schedule 13G report filed by The Vanguard Group, as an investment advisor, on February 9, 2018. According to the report, The Vanguard Group has sole voting power with respect to 385,994 shares and sole dispositive power with respect to 19,221,652 shares. The report was filed by The Vanguard Group on behalf of itself and its wholly owned subsidiaries, Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd.

(3) This information is based on a Schedule 13G report filed by BlackRock, Inc. on January 23, 2018. According to the report, BlackRock, Inc. has sole voting power with respect to 15,554,659 shares and sole dispositive power with respect to 17,733,302 shares. The report was filed by BlackRock, Inc. on behalf of itself and its wholly owned subsidiaries, BlackRock Life Limited, BlackRock International Limited, BlackRock Advisors, LLC, BlackRock (Netherlands) B.V., BlackRock Institutional Trust Company, National Association, BlackRock Asset Management Ireland Limited, BlackRock Financial Management, Inc., BlackRock Japan Co., Ltd., BlackRock Asset Management Schweiz AG, BlackRock Investment Management, LLC, BlackRock Investment Management (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock (Luxembourg) S.A., BlackRock Investment Management (Australia) Limited, BlackRock Advisors (UK) Limited, BlackRock Fund Advisors, BlackRock Asset Management North Asia Limited, BlackRock (Singapore) Limited and BlackRock Fund Managers Ltd.

(4) This information is based on a Schedule 13G report filed by JPMorgan Chase & Co. on January 24, 2018. According to the report, JPMorgan Chase & Co. has sole voting power with respect to 16,673,968 shares and sole dispositive power with respect to 16,936,126 shares. The report was filed by JPMorgan Chase & Co. on behalf of itself and its wholly owned subsidiaries, J.P. Morgan Investment Management Inc.; JPMorgan Chase Bank, National Association; JPMorgan Asset Management (UK) Limited; J.P. Morgan Trust Company of Delaware; and J.P. Morgan Securities LLC.

(5) This information is based on a Schedule 13D report filed by James S. Tisch, President and Chief Executive Officer and a director of the Company, on March 13, 2018. According to the report, the amount beneficially owned includes 1,409,189 shares held directly by him, 14,284,578 shares held by trusts of which he is trustee, 145,000 shares held by trusts of which he and his wife are trustees, 635,000 shares held by a charitable foundation of which he is a director and 98,188 shares which he had the right to acquire upon exercise of SARs which were then exercisable. He has sole voting and dispositive power with respect to 15,791,955 shares. He is the brother of

Andrew H. Tisch, Co-Chairman of the Board, Chairman of the Executive Committee and a member of the Office of the President of the Company, and the cousin of Jonathan M. Tisch, Co-Chairman of the Board and a member of the Office of the President of the Company.

Table of Contents

Stock Ownership

Director and Officer Holdings

The following table shows certain information, as of March 9, 2018, regarding the shares of our Common Stock beneficially owned by each director and nominee, each executive officer named in the Summary Compensation Table and all of our executive officers and directors as a group, based on data furnished by them.

Name	Amount Beneficially Owned [1] [2]	Percent of Class
Lawrence S. Bacow	9,929 [3]	*
Ann E. Berman	14,880 [4]	*
Joseph L. Bower	21,970 [5]	*
Charles D. Davidson	14,781 [6]	*
Charles M. Diker	18,746 [7]	*
David B. Edelson	79,880 [8]	*
	12,524 [9]	*

Jacob A. Frenkel		
Paul J. Fribourg	15,756 (10)	*
Walter L. Harris	21,746 (11)	*
Philip A. Laskawy	21,756 (12)	*
Ken Miller	32,657 (13)	*
Susan Peters	0	0%
Kenneth I. Siegel	18,654 (14)	*
Andrew H. Tisch	15,451,859 (15)	4.8%
James S. Tisch	16,571,955 (16)	5.1%
Jonathan M. Tisch	7,669,048 (17)	2.4%
Anthony Welters	9,357 (18)	*

All executive officers and directors as a group (18 persons including those listed above)	40,038,190 (19)	12.3%

* Represents less than 1% of the outstanding shares.

(1) Except as otherwise indicated, the persons listed as beneficial owners of the shares have sole voting and investment power with respect to those shares.

(2) The number of shares included for shares issuable upon the exercise of SARs granted under our Stock Option Plan is the number of shares each person would have received had such person exercised his or her SARs, based on the fair market value per share of $51.05 for our Common Stock, calculated under the terms of our Stock Option Plan, on March 9, 2018.

(3) Includes: (i) 7,385 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; and (ii) 2,544 shares underlying vested RSUs of which the director deferred receipt that could be delivered to the director within 60 days of March 9, 2018 if the director s service as a director terminated during that time.

(4) Includes: (i) 12,036 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; (ii) 2,544 shares underlying vested RSUs of which the director deferred receipt that could be delivered to the director within 60 days of March 9, 2018 if the director s service as a director terminated during that time; and (iii) 300 shares held by a charitable foundation as to which Ms. Berman has shared voting and investment power.

(5) Includes: (i) 13,212 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; and (ii) 2,544 shares underlying vested RSUs of which the director deferred receipt that could be delivered to the director within 60 days of March 9, 2018 if the director s service as a director terminated during that time.

(6) Includes 2,247 shares issuable upon exercise of awards granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018.

(7) Includes 13,212 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018.

(8) Includes 73,644 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018. In addition, Mr. Edelson owns

beneficially 6,000 common units of Boardwalk Pipeline Partners, LP, a 51% owned subsidiary of the company, and 2,000 shares of CNA Financial Corporation, an 89% owned subsidiary of the company.

Table of Contents

Stock Ownership

(9) Includes 9,990 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018.

(10) Includes: (i) 13,212 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; and (ii) 2,544 shares underlying vested RSUs of which the director deferred receipt that could be delivered to the director within 60 days of March 9, 2018 if the director s service as a director terminated during that time.

(11) Includes 13,212 shares issuable upon the exercise of awards granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018. In addition, Mr. Harris owns beneficially 1,830 shares of CNA and 2,000 common units of Boardwalk Pipeline.

(12) Includes: (i) 13,212 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; (ii) 2,544 shares underlying vested RSUs of which the director deferred receipt that could be delivered to the director within 60 days of March 9, 2018 if the director s service as a director terminated during that time; and (iii) 6,000 shares owned beneficially by Mr. Laskawy s wife.

(13) Includes: (i) 13,113 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; (ii) 2,544 shares underlying vested RSUs of which the director deferred receipt that could be delivered to the director within 60 days of March 9, 2018 if the director s service as a director terminated during that time; and (iii) 12,000 shares owned beneficially by Mr. Miller s wife. In addition, Mr. Miller and his wife own beneficially 36,000 and 6,200, respectively, shares of CNA.

(14) Includes 18,654 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018. In addition, Mr. Siegel has been granted SARs by Diamond Offshore Drilling, Inc., a 53% owned subsidiary of the company, under its stock option plan for which he would have received upon exercise 266 Diamond Offshore shares had he exercised those SARs, based on a fair market value per share of $14.60 for Diamond Offshore s common stock, calculated under the terms of its stock option plan, on March 1, 2018.

(15) Includes: (i) 98,188 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; (ii) 14,743,671 shares held by trusts of which Andrew H. Tisch is the managing trustee (inclusive of 4,007,001 shares held in trust for his benefit); and (iii) 610,000 shares held by a charitable foundation as to which Andrew H. Tisch has shared voting and investment power. In addition, Andrew H. Tisch is the managing trustee and beneficiary of a trust that owns beneficially 106,100 shares of CNA and is a trustee of trusts that own beneficially a 25% interest in general partnerships that own, in the aggregate, 324,200 common units of Boardwalk Pipeline. In addition, Andrew H. Tisch has been granted SARs by Diamond Offshore under its stock option plan for which he would have received upon exercise 266 Diamond Offshore shares had he exercised those SARs, based on a fair market value per share of $14.60 for Diamond Offshore s common stock, calculated under the terms of its stock option plan, on March 1, 2018.

(16) Includes: (i) 98,188 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; (ii) 14,429,578 shares held by trusts of which James S. Tisch is the managing trustee (inclusive of 3,645,000 shares held in trust for his benefit); and (iii) 635,000 shares held by a charitable foundation as to which James S. Tisch has shared voting and investment power. In addition, James S. Tisch owns beneficially 5,000 shares of Diamond Offshore. In addition, he has been granted SARs by Diamond Offshore under its stock option plan for which he would have received upon exercise 1,994 Diamond Offshore shares had he exercised those SARs, based on a fair market value per share of $14.60 for Diamond Offshore s common stock, calculated under the terms of its stock option plan, on March 1, 2018. He is also the managing trustee and beneficiary of a trust that owns beneficially 106,100 shares of CNA and is a trustee of trusts that own beneficially a 25% interest in general partnerships that own, in the aggregate, 324,200 common units of Boardwalk Pipeline.

(17) Includes: (i) 98,188 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018; (ii) 7,183,932 shares held by trusts of which Jonathan M. Tisch is the managing trustee (inclusive of 5,037,118 shares held in trust for his benefit); and (iii) 386,928 shares held by charitable foundations as to which Mr. Jonathan M. Tisch has shared voting and investment power.

(18) Includes 3,823 shares issuable upon exercise of awards granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018.

(19) Includes 547,538 shares issuable upon the exercise of SARs granted under our Stock Option Plan that are currently exercisable or will become exercisable within 60 days of March 9, 2018.

Section 16(a) Beneficial Ownership Reporting Compliance

Based upon a review of filings with the Securities and Exchange Commission and written representations to us, we believe that during 2017 all of our directors and executive officers complied with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act).

Proposal No. 2:

Advisory Resolution to Approve Executive Compensation

As required by Section 14A of the Exchange Act and pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), we provide our shareholders with an annual advisory vote to approve named executive officer compensation. This advisory vote, commonly known as a say-on-pay vote, is a non-binding vote on the compensation paid to our named executive officers as disclosed under the heading Executive Compensation beginning on page 22 of this Proxy Statement.

Our executive compensation program is designed to attract, motivate and retain highly qualified executives who are able to help achieve the company s objectives and create shareholder value. Our executive compensation programs and objectives are described in detail under the heading Compensation Discussion and Analysis and the level of compensation paid to our named executive officers during the last three years is set out in the Summary Compensation Table and related information. Our Compensation Committee believes that our executive compensation program is effective in achieving our objectives.

This advisory vote to approve named executive officer compensation is not binding on our Board. However, the Board values our shareholders input and will take into account the result of the vote when determining future executive compensation arrangements.

Accordingly, our Board recommends a vote **FOR** the following resolution:

RESOLVED, that the shareholders approve, on an advisory basis, the compensation paid to the company s named executive officers as disclosed under the heading Executive Compensation in the Proxy Statement for the 2018 Annual Meeting of Shareholders.

Table of Contents

Executive Compensation

Executive Compensation

Compensation Discussion and Analysis

Executive Summary

This Compensation Discussion and Analysis contains information about the compensation we pay to our executive officers whose compensation is required to be disclosed in the Executive Compensation tables that follow under Securities and Exchange Commission rules (named executive officers).

OUR NAMED EXECUTIVE OFFICERS FOR 2017 WERE:

James S. Tisch	David B. Edelson	Andrew H. Tisch	Jonathan M. Tisch	Kenneth I. Siegel
President and Chief Executive Officer, Office of the President	Senior Vice President and Chief Financial Officer	Co-Chairman of the Board, Chairman of the Executive Committee, Office of the President	Co-Chairman of the Board, Chairman and Chief Executive Officer of Loews Hotels, Office of the President	Senior Vice President

WHO WE ARE

Loews Corporation is a holding company. We own a controlling interest in a diverse portfolio of businesses, including:

CNA Financial Corporation is a property and casualty insurer (89% ownership interest)	Diamond Offshore Drilling, Inc. is a provider of offshore drilling services worldwide (53% ownership interest)	Boardwalk Pipeline Partners, LP is a public master limited partnership that provides natural gas and liquids transportation and storage services (51% ownership interest)	Loews Hotels Holding Corporation (Loews Hotels), is an operator and manager of hotels (100% ownership interest).	Consolidated Container Company, LLC is a manufacturer of rigid plastic packaging (99% ownership interest)

In addition, we had over $4.9 billion of cash and investments at the holding company level as of December 31, 2017.

Our primary function is to allocate our capital in a way that drives long-term value creation and returns for our shareholders. To do this we make decisions related to investments in our subsidiaries, repurchases of our shares, acquisitions and dispositions of subsidiaries and prudent investment of our cash and investment assets.

Table of Contents

In light of our business model, our most critical asset is our people our human capital including our senior leadership team that drives our capital allocation decisions. All of our executive officers and substantially all of our other employees are located in our headquarters office and a neighboring building in New York City. We not only compete for leadership talent with our and our subsidiaries peer companies, but also with New York City-based financial services firms, including investment and commercial banks, private equity funds, hedge funds, insurance and reinsurance companies and other sophisticated financial firms. Our compensation policies and practices are driven by our need to attract and retain highly qualified, financially sophisticated executive officers in this competitive marketplace and motivate them to provide a high level of performance for our shareholders.

OUR COMPENSATION PHILOSOPHY

We have maintained a consistent compensation philosophy for many years, which takes into account that the quality of our leadership has a direct impact on our performance. Our compensation philosophy is based on the following objectives:

- Motivating superior long-term financial performance and the creation of shareholder value;
- Discouraging unreasonable risk taking;
- Aligning compensation with our long-term strategy and focus and the interests of our shareholders;
- Providing market-competitive compensation;
- Avoiding excessive compensation; and
- Attracting and retaining high-caliber executive talent.

We believe in recognizing the performance of our executive officers primarily through a combination of cash compensation, made up of a fixed base salary and incentive compensation, and stock-based compensation, which, in 2017, consisted of performance-based restricted stock units. Because cash incentive compensation and our restricted stock unit awards are tied to performance, a large majority of the compensation paid to our executive officers is performance-based and, other than their fixed base salaries, no compensation is guaranteed.

HOW WE STRUCTURE OUR EXECUTIVE COMPENSATION PROGRAM

We structure our executive compensation to avoid the possibility of excessive compensation in any given year, including through:

- the Compensation Committee s ability to exercise negative discretion in determining cash incentive compensation;
- setting what we believe to be reasonable, but achievable, performance targets for both cash incentive compensation and stock-based awards; and
- setting target levels for cash incentive compensation that are generally based on the prior year s levels and generally not paying cash incentive compensation in excess of these targets.

The result has been that the cash compensation paid to our named executive officers has not fluctuated significantly during the past five years. We believe this structure provides ample motivation for our executive officers to maximize their performance and focus on the long-term success of the company, while deterring unreasonable risk taking with an eye toward short-term results.

The fixed base salary for our named executive officers has generally comprised substantially less than half of their total potential cash compensation, with the balance coming from our performance-based incentive compensation plan. In setting potential awards under that plan, our Compensation Committee sets what it believes are reasonable, but achievable, target levels, but reserves broad discretion to reduce or eliminate incentive compensation. The Committee also establishes maximum award levels that will not be exceeded.

Table of Contents

Executive Compensation

In selecting and allocating the elements of our executive compensation program, we have considered, among other things, our historical compensation policies as they have evolved over the years, surveys of executive compensation at comparably sized companies and information concerning the executive compensation programs of various companies engaged in businesses similar to ours and our principal subsidiaries as well as others with which we compete for talent in the New York City marketplace. To assist in gathering this information and benchmarking our executive compensation practices against the practices at these companies, our human resources group engaged the compensation consultant, Korn Ferry Hay Group. Korn Ferry Hay Group received fees of approximately $138,000 from us for this benchmarking work related to our 2017 executive compensation program, and approximately $477,000 from us and our subsidiaries during 2017 for other consulting services unrelated to our executive compensation program.

We also consider applicable tax and accounting impacts of executive compensation. See Other Considerations Tax and Accounting Considerations on page 35.

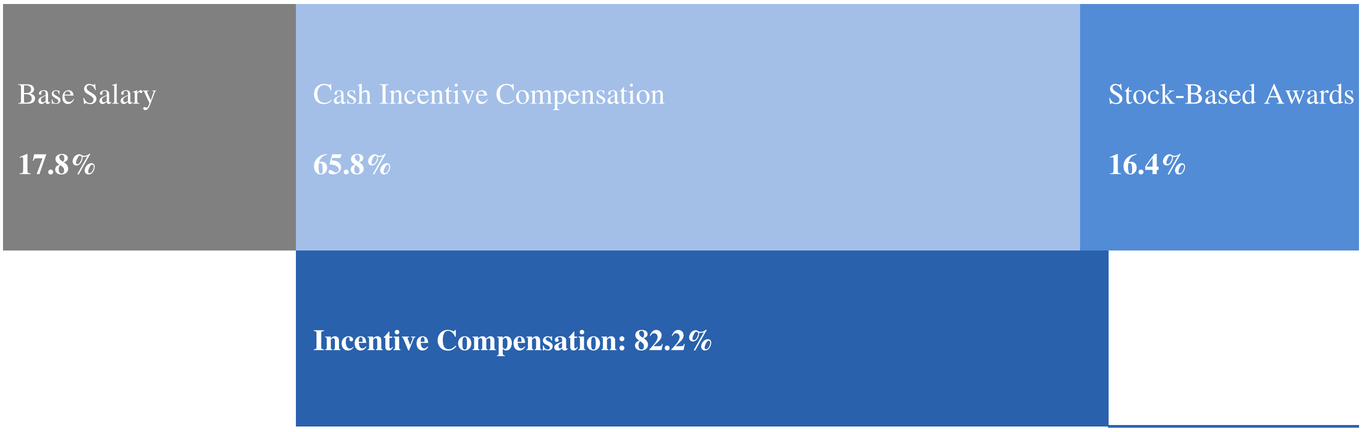
OUR GOAL IS TO INCREASE SHAREHOLDER VALUE OVER THE LONG TERM

Our compensation program is intended to align the interests of our senior executives with those of our shareholders. Our goal is to increase shareholder value over the long term and to reasonably reward superior performance that supports that goal. In establishing the aggregate amount of targeted compensation for each named executive officer, we do not rely on formula-driven plans, which could result in unreasonably high compensation levels and encourage excessive risk taking. Instead, aggregate target compensation is based on an evaluation of the individual s performance, skills, leadership and expected future contributions in the context of our financial performance and seeks to achieve the objectives of our compensation philosophy set forth above. Based on these considerations, we determine an overall level of target cash compensation, a portion of which is to be paid as base salary and the balance of which is structured to be performance-based cash compensation, and a level of stock-based awards. We consider the aggregate compensation (earned or potentially available) to each named executive officer in establishing each element of compensation.

2017 TOTAL CASH AND STOCK-BASED COMPENSATION

These charts show each of the three principal elements of our compensation program as a percentage of total cash and stock-based compensation for our Chief Executive Officer and other named executive officers in 2017.

CEO



OTHER NEOs

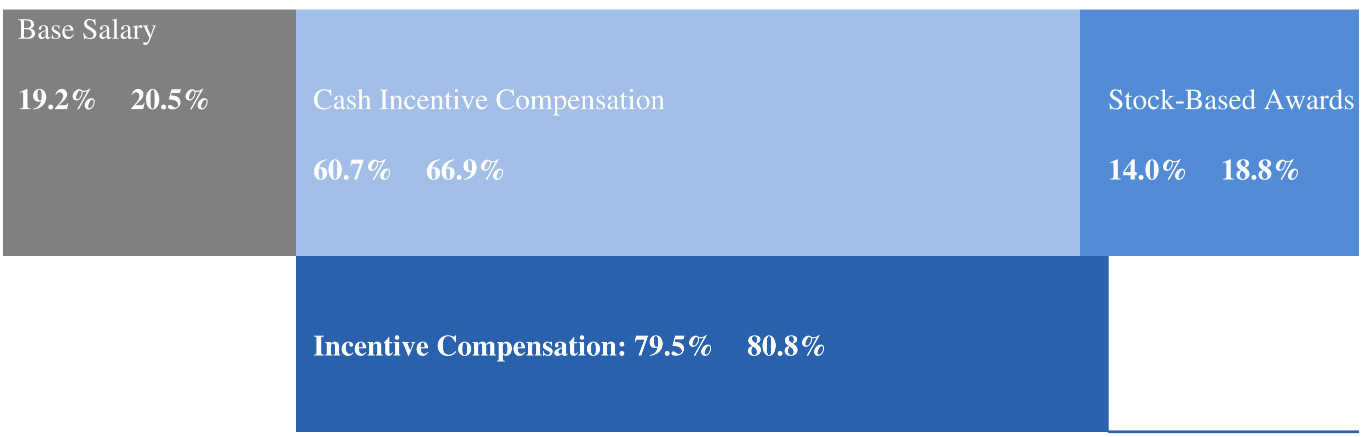


Table of Contents

SAY ON PAY VOTE

At our 2017 annual meeting of shareholders, 90.4% of the shares voted approved, on an advisory basis, our executive compensation program. We believe these results represent a strong endorsement of our executive compensation philosophy and practices.

SAY ON PAY VOTE APPROVAL

In the last five years, we received an average approval of 92% in our annual advisory vote of shareholders on our executive compensation program.

Table of Contents

Executive Compensation

Compensation Governance

We are committed to good compensation governance and design and administer our executive compensation program to be consistent with our business goals and in the best interests of our shareholders. In that regard, we:

- maintain a fully independent Compensation Committee, which oversees all aspects of our executive compensation and monitors, reviews and approves all executive compensation decisions;
- structure our cash incentive compensation awards to executive officers so that the Compensation Committee may exercise negative discretion over these awards;
- structure our executive officers stock-based compensation to be performance-based;
- do not have employment agreements with, or guarantee compensation to, any of our executive officers;
- do not maintain agreements with any of our executive officers to pay severance upon a change in control; and
- conduct an annual advisory vote of shareholders on our executive compensation practices. As noted above, we have received a large majority advisory vote in favor of our executive pay program every year since implementing this vote.

Compensation Program Structure and Process

The principal components of compensation for our named executive officers are:

- base salary;
- performance-based cash incentive compensation awards;
- performance-based stock-based awards; and

retirement, medical and related benefits.

Each year, our Chief Executive Officer, after consulting with the other members of the Office of the President and our Vice President, Human Resources, reviews with the Compensation Committee the performance of each named executive officer and each other executive officer, and makes a recommendation to the Compensation Committee with respect to their annual compensation, including the setting of parameters for cash incentive compensation awards and stock-based awards. The Compensation Committee then meets in executive session without the Chief Executive Officer present and makes the final determination regarding the compensation for our Chief Executive Officer and each of the other named executive officers, as well as our other executive officers. The other named executive officers do not play any role in their own compensation determination other than discussing their performance with the Chief Executive Officer, and neither our Chief Executive Officer nor any other executive officer participates in the Compensation Committee s final deliberations on compensation matters.

BASE SALARY

The base salary for each of our named executive officers has remained unchanged at approximately $1 million per annum for at least the last five years. Historically, this reflected the impact of provisions of the Internal Revenue Code which applied until 2017 to limit the amount of compensation we were able to deduct for federal income tax purposes to $1 million for certain of the named executive officers, except to the extent the compensation was considered to be qualified performance-based compensation. The provisions providing an exemption for qualified performance-based compensation were repealed as part of the Tax Cuts and Jobs Act of 2017 passed in December 2017 and will not apply to compensation paid beginning in 2018. Nevertheless, the base salary for each of our named executive officers will remain unchanged in 2018 at approximately $1 million. In addition, the relative lower weight of base salary to performance-based compensation is consistent with the Compensation Committee s belief that performance-based compensation should be the greater part of the compensation of each of our named executive officers.

CASH INCENTIVE COMPENSATION AWARDS

The largest portion of the compensation of our named executive officers in 2017 came from cash awards under our Incentive Compensation Plan. This element of our compensation program ensures that a significant portion of each executive s annual compensation is dependent on Loews s annual achievement of a metric that we call performance-based income.

Defining Performance-based Income

Performance-based income is defined in our Incentive Compensation Plan as our consolidated net income as adjusted by the Compensation Committee under the terms of our Incentive Compensation Plan to account for specific factors that may impact our business, but which the Compensation Committee deems reasonable and appropriate to exclude or include in determining performance for incentive compensation purposes. The Compensation Committee may take into account, among other things, the potential impact on our earnings of realized and unrealized investment gains and losses, accounting changes, acquisitions and dispositions, charges relating to litigation, charges relating to reserve strengthening and adverse development associated with prior accident years at CNA, catastrophes and changes in legislation or regulation.

PROCESS OF ESTABLISHING ANNUAL INCENTIVE COMPENSATION AWARDS

STEP 1	Establish annual performance bonus pool	First quarter of each year

First, the Compensation Committee establishes an annual performance bonus pool expressed as a percentage of our performance-based income for that year.

The performance bonus pool is not an expectation of the bonus amounts that will, in fact, be paid; rather, it sets the outer limit of compensation that can be paid to all executive officers in our incentive compensation program for the year.

The Committee allocates a portion of the performance bonus pool to each of the named executive officers and other executive officers who participate in the incentive compensation program.

STEP 2	Establish Target Award	First quarter of each year

Then, the Compensation Committee establishes a target award (expressed as a dollar amount) for each participant, based on an assessment of the individual s expected performance.

The intention is that the incentive compensation award will not exceed the target award (even if the portion of the performance bonus pool allocated to a participant is in excess of the established target), except based on the Compensation Committee s discretion.

STEP 3	Establish Maximum Award	First quarter of each year

Next, the Compensation Committee establishes a maximum award (expressed as a dollar amount) for

each participant, to cap the amount in excess of the target that the Committee may in its discretion award any participant.

A participant s award cannot exceed the portion of the performance bonus pool allocated to the participant, and also cannot exceed the maximum award amount established by the Committee. In addition, it has been the practice of the Compensation Committee to retain negative discretion in the payment of awards, which allows the Committee to reduce or eliminate any award at its discretion.

STEP 4	**Define Performance-based Income**	First quarter of each year

The Compensation Committee determines what adjustments should be made to our consolidated net income for the year to account for factors that would not be appropriate to include when determining performance for incentive compensation purposes.

However, by reserving the ability to exercise negative discretion to reduce an award otherwise earned, the Committee retains the ability to take into account these excluded items and other factors it deems relevant.

STEP 5	**Calculate Performance-based Income and Conduct Participant Performance Assessment**	First quarter of following year

After the fiscal year ends, the amount of performance-based income earned for the year is determined.

Once this has been determined, the Compensation Committee reviews and re-assesses each participant s performance in the context of our financial performance and seeking to achieve the goals of our compensation philosophy.

Based upon this review and re-assessment, the Committee awards incentive compensation out of each executive s pre-allocated percentage of the performance bonus pool.

The Committee, in its discretion, then determines whether to award incentive compensation that meets or exceeds the target award (up to the maximum award established for that individual) or that is lower than the target award. Historically, the Committee has exercised its negative discretion to limit awards paid to the pre-established target amounts.

How We Determined the Performance Bonus Pool for 2017 Incentive Compensation

For 2017, the Committee established at the beginning of 2017 a performance bonus pool of 4% of performance-based income, which it determined was an appropriate level to recognize the performance of plan participants, which include all of our named executive officers and other executive officers.

As has historically been the case, there was no expectation that the entire performance bonus pool would, in fact, be awarded and paid out, as the Compensation Committee s practice has been to exercise its discretion to pay bonuses amounting to only a fraction of the performance bonus pool. The potential for excessive compensation was further limited by the establishment at the beginning of 2017 of target levels and absolute maximum amounts for each named executive officer and other executive officer participating in our incentive compensation program.

In allocating the performance bonus pool and establishing the target and maximum awards for each named executive officer, the Committee took into account:

- our compensation philosophy and objectives, which aim to reasonably reward superior performance while eschewing formula-driven criteria, which have the potential of providing unreasonably high compensation levels;
- the individual s duties, past and expected performance of those duties and compensation history; and
- our goals of increasing shareholder value over the long term.

Negative discretion

An integral part of the implementation of the cash incentive compensation program by the Compensation Committee is the ability to use negative discretion for the award to each executive officer, allowing the Committee to reduce or eliminate any award notwithstanding the level of performance-based income. This gives the Committee the flexibility to appropriately evaluate the performance of each executive officer considering not only the level of performance-based income, but also Loews s consolidated net income and the individual s performance.

For each named executive officer, other than the Chief Executive Officer, the Committee also took into account the recommendations of the Chief Executive Officer. The Compensation Committee relied on these qualitative factors, together with its discretion to reduce awards below the target award as well as to pay awards up to the maximum amount, and determined not to establish other specific, quantitative criteria or numerical formulas of performance measures.

2017 NEO TARGET AND MAXIMUM AWARDS AND BONUS POOL ALLOCATION

The 2017 target and maximum awards and the share of the performance bonus pool allocated to each named executive officer were established in the first quarter of 2017 as follows:

Name	Share of 4% Bonus Pool Allocated	Target Award	Maximum Award
James S. Tisch	19.4%	$3,600,000	$5,000,000
David B. Edelson	18.4	3,400,000	4,750,000
Andrew H. Tisch	15.7	2,900,000	4,500,000
Jonathan M. Tisch	15.7	2,900,000	4,500,000
Kenneth I. Siegel	16.6	3,075,000	4,500,000

2017 ADJUSTMENTS TO CONSOLIDATED NET INCOME AND RATIONALE

The Committee determined in the first quarter of 2017 that net income should be adjusted to determine performance-based income for 2017 as set forth below. However, by reserving the ability to exercise negative discretion to reduce an award otherwise earned, the Committee retains the ability to take into account these excluded items (including, for example, impairments) and other factors it deems relevant when ultimately approving awards.

Adjustment identified in first quarter 2017	Rationale for exclusion
The effect of accounting changes	This item was excluded because: by its nature it is not a cash item; it is not within the control of the company or any named executive officer; and it has the possibility of increasing or decreasing net income in ways that may not be predictable when performance-based income is established.
Net losses attributed to the impairment of goodwill or long-lived assets	This item was excluded because: it is not a cash item; under generally accepted accounting principles, goodwill and long-lived assets are accounted for using an impairment-based model under which the carrying value is subject to reduction, resulting in charges to income, based on a decline in fair value, but the carrying value cannot be increased in subsequent periods if fair values rise; and doing so encourages management to approach impairment decisions objectively and impartially.

Any net income or loss attributable to the impact of reserve strengthening and adverse dividend or premium development associated with asbestos and environmental pollution reserves at CNA for accident years prior to 2000, and any favorable or unfavorable income statement impact of applying retroactive insurance accounting to the losses ceded in connection with CNA s 2010 loss portfolio transfer	In 2010, CNA entered into a loss portfolio transfer transaction under which substantially all of its estimated legacy asbestos and environmental pollution liabilities were ceded to a reinsurer. Accordingly, the Compensation Committee determined that any remaining charges related to this pre-2001 legacy business, as well as any net income which may result from the reinsurance benefits relating to the lost portfolio transfer transaction, should not be considered when measuring current performance.

Table of Contents

Executive Compensation

Adjustment identified in first quarter 2017	Rationale for exclusion
Charges relating to reserve strengthening and adverse dividend or premium development at CNA associated with accident years prior to 2000 related to mass tort claims	The Compensation Committee decided to exclude these charges because it believes that the impact of these claims is not an appropriate measure of current performance.
Charges relating to net reserve strengthening relating to CNA s long-term care or benefit settlement option liabilities or relating to a charge recognized in connection with a disposition (or proposed disposition), a loss portfolio transfer or other transaction that is intended to fix or limit CNA s exposure to its run-off Life & Group business	CNA s individual and group long-term care businesses are in run-off and its payout annuity business was in run-off prior to its disposition in 2014. The Compensation Committee determined that any charges from a transaction that would substantially mitigate CNA s exposure to these legacy businesses should not be taken into account in measuring performance in 2017.
Realized gains and losses	The Compensation Committee decided to exclude both realized gains and realized losses because the decision to realize a gain or a loss is frequently a discretionary decision. Accordingly, by excluding realized gains and losses, any implication that an individual could be wrongly motivated in taking or failing to take a gain or loss in an effort to impact consolidated net income would be removed. In addition, a significant component of the company s realized investment gains and losses in recent years has included other-than-temporary impairments of investment securities. As is the case with respect to impairments of goodwill or long-lived assets, these impairments can only result in charges; any subsequent increase in the market value of an impaired security can be recognized only if that security is sold.
Catastrophe losses of CNA in excess of, but not less than, CNA s 2017 budgeted amount	The Compensation Committee excluded this item because the level of catastrophes that impact a property and casualty insurer is, of course, unpredictable and, accordingly, not an appropriate way to

measure performance. On the other hand, performance-based income should not be increased just because of a low level of catastrophes in any year. The Compensation Committee determined that the amount for catastrophe losses budgeted at the beginning of the year which at times has been higher or lower than the actual level of catastrophe losses is preferable for measuring performance.

Charges relating to the disposition, by judgment or settlement, of smoking- and health-related litigation.

The company s former subsidiary, Lorillard, Inc., has been subject to numerous claims for damages related to its cigarette business allegedly resulting from actions taken many years ago. In connection with the 2008 disposition of Lorillard, Lorillard indemnified the company from any and all claims relating to the operation of its business, including smoking and health claims. In light of this, the Compensation Committee determined that any charges of this nature would not be appropriate in determining performance-based income.

Any net income or loss attributable to changes in deferred income tax assets and liabilities resulting from a change in income tax rates in 2017.

Several of Loews s subsidiaries, by the nature of their business, recognize significant deferred income tax assets and liabilities, which have accumulated over many years. A change in the income tax rate could have a significant impact on these deferred tax items and on Loews s net income since the impact in the year of this change would involve the entire historical balance of deferred tax assets or liabilities. The Compensation Committee determined to exclude this item since any change in income tax rates is, of course, unpredictable and not within the company s control, and the resulting impact on net income and loss would not be a suitable indication of performance.

Any gain or loss on disposal of discontinued operations (but not income from operations of the discontinued operations)

The Compensation Committee determined to exclude both gains and losses from the disposal of discontinued operations in the belief that the results from a disposition, whether positive or negative, relate to the generally multi-year holding period of the asset disposed of, even though recognized in the year of disposal. Therefore, any such gains or losses could distort net income in the year of disposition.

Table of Contents

For 2017, performance-based income ultimately amounted to $1,038 million compared to consolidated net income of $1,164 million.

PERFORMANCE-BASED STOCK-BASED AWARDS

The third principal element of our compensation program for named executive officers and other executive officers is stock-based awards, which in 2017 consisted of performance-based restricted stock units (PRSUs).

The PRSUs, similar to the time-vesting RSUs granted in 2017 to our non-executive officers and certain other managerial and professional employees (non-executive RSUs), have dividend equivalent rights (payable in additional PRSUs) and will vest in two equal tranches (subject to earlier vesting in the case of death, disability, termination without cause and certain retirements):

- 50% on the second anniversary of the grant date; and
- 50% on the third anniversary of the grant date.

However, unlike non-executive RSUs, in addition to being subject to the same time-vesting terms as non-executive RSUs, PRSUs granted to our executive officers are also subject to performance-vesting terms. The performance-vesting terms make PRSUs dependent on the company achieving a pre-established level of performance-based income per share for 2017. The terms of the PRSUs awarded in the first quarter of 2017 provided that they would be earned by our executive officer recipients as follows (subject to the time-vesting provisions of the PRSUs):

PERFORMANCE-BASED INCOME PER SHARE:

At or Above Target	100% of PRSUs earned
At 50% to 100% of Target	Pro rata portion of PRSUs earned
Below 50% of Target	No PRSUs earned

In connection with the grant of PRSUs to our executive officers in the first quarter of 2017, the Compensation Committee established the performance-based income per share target for PRSUs at $1.50 per share.

The ultimate value of stock-based awards under our Incentive Compensation Plan is directly correlated to our performance as measured by the price of our Common Stock over the long term. The value of these awards increases and decreases directly with changes in the price of our Common Stock. In addition, unlike base salary and incentive compensation awards, which are earned and paid based on the annual performance of the individual and the company, PRSUs awarded in 2017 vest over a period of three years. As a result, these awards encourage executives to continue their employment with Loews. These elements further serve to align the executive s interests with those of our shareholders.

The Compensation Committee generally makes grants of stock-based awards in the first quarter of each year at the same time the Committee performs its annual management performance evaluation and takes other compensation actions. Annual equity grants for executive officers occur on the same date as our annual equity grants for our other officers and certain professional and managerial employees, which in 2017 was the date of the Compensation Committee s February 2017 meeting. As the grant date for our annual stock-based awards generally occurs on the date of a Compensation Committee meeting in the first quarter of the year, the grant date is set in advance when the schedule of Compensation Committee meetings is arranged. Loews does not grant stock-based awards in anticipation of the release of non-public information or time the release of this information based on stock-based award grant dates. We also at times grant stock-based awards to new executives when they are hired or promoted during the year. These grants are approved by the Compensation Committee (or, in the case of small grants, by our Chief Executive Officer, as delegated by the Committee).

Table of Contents

Executive Comensation

EMPLOYEE BENEFITS

Our named executive officers also participate in benefit programs available to salaried employees generally, including our Employee Savings Plan under Section 401(k) of the Internal Revenue Code, Retirement Plan, Benefit Equalization Plan and Executive Deferred Compensation Plan. In addition, from time to time, we have provided one or more named executive officers with unfunded supplemental retirement benefits under the supplemental retirement agreements described under the heading Pension Plans below. No supplemental retirement benefits were granted in 2017. Our Benefit Equalization Plan provides benefits that may not be paid under our Retirement Plan due to Internal Revenue Code limitations. Our Executive Deferred Compensation Plan offers investment options similar to certain of those in our Employee Savings Plan and does not have any guaranteed rates of return.

2017 Compensation to Our Named Executive Officers

BASE SALARY

The base salary of each of our named executive officers was unchanged from previous years and remained at $975,000, consistent with our objectives of emphasizing performance-based compensation.

CASH INCENTIVE COMPENSATION AWARDS

For 2017, the Compensation Committee made cash incentive compensation awards to our Chief Executive Officer and each of our other named executive officers, which were paid in the first quarter of 2018. In determining the amounts to be paid to these executives, the Committee acted consistently within the parameters of the grants that were established in the first quarter of 2017, including the size of the performance bonus pool for the year. However, the Committee also exercised its business judgment, using essentially a qualitative, rather than formula-driven, approach based on the Committee s overall judgment of the individual s performance in the context of our financial performance and seeking to achieve the objectives of our compensation philosophy.

In addition to the specific factors discussed below, the Committee considered:

- its compensation philosophy in favor of fair and consistent pay levels and against excessive or unreasonable compensation levels;
- an emphasis on consistent, long-term, superior performance by the individual;

- its evaluation of the performance of each named executive officer based on direct observation, since each named executive officer regularly reports to the Board on the operations of the company and its subsidiaries; and

- for each named executive officer other than the Chief Executive Officer, executive sessions with the Chief Executive Officer in which each named executive officer s performance is reviewed and evaluated.

These factors were not weighted and there is no formula for how these factors were applied in determining cash incentive compensation awards.

Table of Contents

Chief Executive Officer

In making its determination regarding the grant and payment of an incentive compensation award for 2017 to our Chief Executive Officer, James S. Tisch, the Compensation Committee first considered the overall performance of the company and its principal subsidiaries. The Committee also considered, among other things, its compensation philosophy against excessive or unreasonable compensation levels and its emphas