

2016 NEO Total Direct Compensation (TDC)

TDC is the sum of base salary, annual bonus earned for the performance year, and long-term incentive grants attributable to the performance year. This “performance-year” approach is used by our Committee to determine TDC competitiveness versus peers, and to evaluate the alignment of annual pay and performance. However, performance-year TDC is different than the corresponding amount reported in the Summary Compensation Table (SCT), which reflects the timing of accruals under GAAP that are normalized in the performance-year calculations.

PERFORMANCE-YEAR TDC VERSUS SUMMARY COMPENSATION TABLE

The table below defines the compensation differences between performance-year TDC versus the Summary Compensation Table:

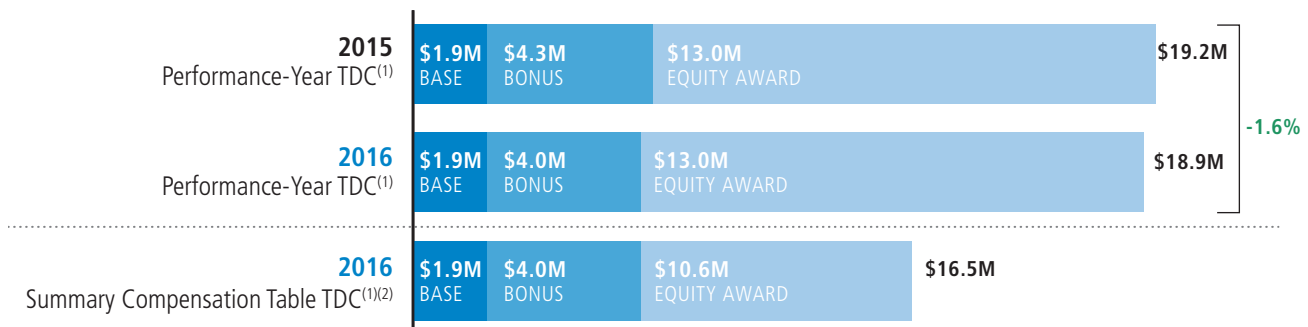
Compensation	Performance-Year TDC (Compensation Committee Approach)	Summary Compensation Table
Salary:	Year-end base salary	Salary earned during the year
Annual Incentive Award (bonus):	Annual incentive award for the performance year; paid in March of the following year	Annual incentive award for the performance year; paid in March of the following year
Long-Term Incentive Award:	Long-Term Incentive (LTI) (TSRUs and PSAs) award grant value made on a performance-year basis and granted in February of the following year	Long-Term Incentive (LTI) award grant value made during the year, based on accounting rules for TSRUs and PSAs, which includes the TSRUs and the value of one-third of the 2015 and 2016 PSA grants

2016 CEO COMPENSATION AT A GLANCE

The graph below illustrates and compares the three main components of Mr. Read's 2015 and 2016 performance year TDC and the amounts reflected in the SCT. The graph is not intended as a substitute for the SCT.

2016 Performance Year. The TDC (\$18.9 million) represents an approximate 1.6% decrease year-over-year from the 2015 performance-year TDC (\$19.2 million), reflecting a decrease in the annual incentive award.

2016 SCT. The \$16.5 million total includes the value of the LTI award which consists of TSRUs and one-third of each of the 2015 and 2016 PSA grants because accounting rules provide that one-third of the award is included in each of the three performance years as a result of the use of three, separately established annual goals. In addition, the SCT includes grants made during the year, rather than on a performance-year basis. Therefore, the SCT equity award of \$10.6 million on an accounting basis differs from the 2016 Performance-Year TDC amounts shown below at \$13.0 million.



(1) The SCT TDC noted in this chart does not include the Change In Pension value and All Other Compensation in order to compare like elements taken into account under the TDC approach.

(2) Consistent with the accounting rules, PSAs are accounted for one-third per year due to the use of three one-year goals (set annually); therefore, the 2016 SCT amounts include the TSRUs and the value of one-third of the 2015 and 2016 PSAs, when the annual goal is set, calculated in accordance with FASB ASC Topic 718.