



DIVISION OF  
CORPORATION FINANCE

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

March 15, 2019

Brian V. Breheny  
Skadden, Arps, Slate, Meagher & Flom LLP  
brian.breheny@skadden.com

Re: The Allstate Corporation  
Incoming letter dated January 9, 2019

Dear Mr. Breheny:

This letter is in response to your correspondence dated January 9, 2019 and January 31, 2019 concerning the shareholder proposal (the "Proposal") submitted to The Allstate Corporation (the "Company") by Edwin S. Mullett (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated January 17, 2019 and January 31, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates  
Special Counsel

cc: Edwin S. Mullett  
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March 15, 2019

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: The Allstate Corporation  
Incoming letter dated January 9, 2019

The Proposal states that shareholders request that the board adopt and implement a policy to require that all directors shall join them as shareholders in the Company.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's policies, practices and procedures compare favorably with the guidelines of the Proposal and that the Company has, therefore, substantially implemented the Proposal. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Kasey L. Robinson  
Special Counsel

**DIVISION OF CORPORATION FINANCE**  
**INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

Edwin S. Mullett

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2019 FEB 15 AM 11:39  
OFFICE OF CHIEF COUNSEL  
CORPORATION FINANCE

January 31, 2019

U. S. Securities & Exchange Commission

Division of Corporation Finance

Office of Chief Counsel

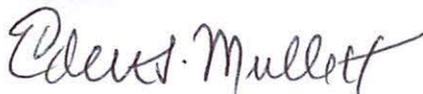
100 F Street NE Washington, DC 20549

Re: Addendum to my letter of January 17 concerning my stockholder proposal to Allstate

Dear SEC Officials:

I am enclosing copies of two letters I sent to the Directors of Allstate asking how we could encourage them to become stockholders. I never received a response so I submitted my shareholder proposal. I deliberately did not specify dollar amounts or number of shares in my proposal, only that they join us as shareholders. I realize that ownership of just one share would meet the requirement of my proposal. Therefore, Directors could invest less than \$100 and qualify as shareholders, rendering my proposal moot. Of course, I hope they would acquire more. I don't understand why the Directors of Allstate are so determined to avoid share ownership. I also don't understand why they are spending our money on outside attorneys to prevent the stockholders from voting on my proposal.

These attorneys contend that the Directors have already met my share ownership proposal through their restricted stock units. I repeat the words of the Proxy Statement: "Under the terms of restricted stock unit awards, directors have only the rights of unsecured creditors and no rights as stockholders until delivery of the underlying shares". My proposal would require Directors to become shareholders *not unsecured creditors* and I hope it can be put to a vote. Please call me if you have any questions.



Edwin S. Mullett

Encls: letters dated April 12 and November 7, 2018

Copy: Daniel Gordon & Deborah Koenen, Allstate Office of General Counsel

**Edwin S. Mullett**

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**November 7, 2018**

**Ms. Judith A. Sprieser, Lead Director**

**Allstate Corporation**

**2775 Sanders Road**

**Northbrook, IL 60062**

**Dear Director Sprieser:**

**I am enclosing a copy of a letter I sent to Directors some seven months ago. I never received a reply so I'm hoping that you will respond or, at least, direct it to the appropriate person. I note that one of your responsibilities is Communication with Stockholders.**

**Thanks for listening and, I hope, responding.**

**Edwin S. Mullett**

**Edwin S. Mullett**

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**April 12, 2018**

**Directors of Allstate**

**C/O General Counsel**

**2775 Sanders Road, Suite F7**

**Northbrook, IL 60062-6127**

**Dear Directors:**

**I am the owner of some 11,000 shares of Allstate and my eight grandchildren's college educations have benefited from additional shares. I have been a very happy shareholder and I thank you.**

**I have just read the Proxy Statement and discovered that three of you do not own any stock while Directors Pernold and Dugenske own 35 and 57. I realize that each Director owns many stock units you have been given but you have chosen not to invest any of your money in our shares despite your handsome cash compensation. This leads me to ask two questions:**

**Can these Directors attend and vote at the Annual Meeting? The Proxy clearly states "to attend the meeting, you must be a holder of Allstate shares as of the record date of March 13. They are not.**

**What can we do to encourage these Directors to join us as shareholders?**

**Thanks for listening,**

**Edwin S. Mullett**

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

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TORONTO

January 31, 2019

DIRECT DIAL  
202-371-7180  
DIRECT FAX  
202-661-9010  
EMAIL ADDRESS  
BRIAN.BREHENY@SKADDEN.COM

BY EMAIL (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Supplemental Letter Regarding  
Stockholder Proposal Submitted by Edwin S. Mullett

Ladies and Gentlemen:

We refer to our letter dated January 9, 2019 (the “No-Action Request”), pursuant to which we requested that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with our view that the stockholder proposal and supporting statement (the “Proposal”) submitted by Edwin S. Mullett (the “Proponent”) may properly be omitted from the proxy materials to be distributed by The Allstate Corporation, a Delaware corporation (the “Corporation”), in connection with its 2019 Annual Meeting of Stockholders (the “2019 Annual Meeting”).

This letter is in response to the letter to the Staff dated January 17, 2019, submitted by the Proponent (the “Proponent’s Letter”) and supplements the No-Action Request. In accordance with Rule 14a-8(j), a copy of this letter also is being sent to the Proponent.

As described in the No-Action Request, the Proposal is substantially implemented because the Corporation already has a policy that requires directors to accumulate an ownership position in the Corporation’s common stock within five years of joining the Board of Directors, which satisfies the Proposal’s essential objective of aligning the interests of the Corporation’s directors with those of its shareholders through share ownership in the Corporation.

The Proponent’s Letter attempts to demonstrate that the Proposal is not substantially implemented by excerpting a portion of the beneficial ownership disclosure from the

Corporation's definitive proxy statement for its 2018 Annual Meeting. However, beneficial ownership for proxy disclosure purposes, calculated in accordance with Commission rules, does not reflect ownership of all securities, nor does it reflect whether the Corporation has a policy requiring directors to become shareholders. Moreover, even if the beneficial ownership disclosure referenced in the Proponent's Letter somehow related to the Proposal's request, such disclosure only speaks as of a certain date (*i.e.*, the record date for the 2018 Annual Meeting), whereas both the Proposal and the Corporation's policy relate to share ownership in the future.

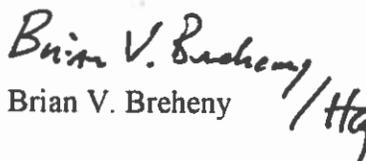
The Proponent's Letter also refers to the ownership of restricted stock units by directors and contends that such ownership does not satisfy the Proposal's request. The policy requested by the Proposal, however, is not limited to any particular form of share ownership. Instead, the Proposal asks for a policy to align the interests of the Corporation's directors with those of shareholders through share ownership in the Corporation. As discussed in the No-Action Request, ownership of restricted stock units accomplishes this goal. In addition, despite the Proponent's contention, the Proposal's request is unrelated to any specific shareholder right. Rather, the Proposal requests a policy that the Corporation already has in place and, therefore, the Proposal is substantially implemented.

Accordingly, for the reasons stated above and in the No-Action Request, the Corporation respectfully requests the concurrence of the Staff that, pursuant to Rule 14a-8(i)(10), the Proposal may be excluded from the Corporation's proxy materials for the 2019 Annual Meeting.

If you have any questions or would like any additional information regarding the foregoing, please do not hesitate to contact me at (202) 371-7180.

Thank you for your prompt attention to this matter.

Very truly yours,

  
Brian V. Breheny

cc: Edwin S. Mullett

Daniel Gordon and Deborah Koenen  
The Allstate Corporation

Hagen J. Ganem  
Skadden, Arps, Slate, Meagher & Flom LLP

Edwin S. Mullett

\*\*\*

January 17, 2019

U.S. Securities & Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

OFFICE OF CHIEF COUNSEL  
CORPORATION FINANCE

2019 JAN 28 PM 2:03

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Re: My Stockholder Proposal Submitted to Allstate Corporation

Dear SEC Officials:

I have been notified that Allstate has petitioned to omit my shareholder proposal from its proxy for the 2019 Annual Meeting. I strongly oppose their request and trust that you will require them to permit the shareholders to vote on my proposal. I am an 88 year old retiree; I certainly do not have the resources of Allstate nor the legal expertise of the partners at Skadden, Arps, Slate, Meagher & Flom. However, I must rely on the rule of common sense: words mean what they say.

The Allstate 2018 Proxy contains a table "Security Ownership of Directors and Executive Officers".

One category is labeled "Amount and Nature of Beneficial Ownership of Allstate Common Stock" which lists:

Director Siddharth Mehta	0
Director Gregg M. Sherrill	0
Director Judith A. Sprieser	0

That's right, three of our Directors own no shares even though they received cash compensation of up to \$175,000 per year. It's true they own Restricted Stock Units which have been given to them by Allstate. Allstate's lawyers insist these Restricted Stock Units provide the share ownership in the Corporation which would be mandated by my proposal and therefore my proposal should be excluded from consideration. But let's look at the description of these units in the 2018 Proxy: "Under the terms of the restricted stock unit awards, directors have only the rights of unsecured creditors of Allstate and

no rights as stockholders until delivery of the underlying shares." I repeat NO RIGHTS AS STOCKHOLDERS.

In summary, these three Directors own no shares and their stock units have no rights as stockholders.

I think it's perfectly reasonable to ask them to join us as shareholders and the stockholders should be permitted to vote on this matter.

I note that Skadden, Arps et al criticize my proposal because it does not set a time limit. It never occurred to me that the Directors could not implement my proposal if it were to pass. However, I will be glad to amend my proposal to state "Within 90 days after passage" if that will be helpful.

Therefore, we have three directors who have refused to invest in Allstate while the company has hired lawyers to defend their action from the shareholders they are supposed to represent. I hope you will allow this vote to proceed

Sincerely yours,

A handwritten signature in black ink that reads "Edwin S. Mullett". The signature is written in a cursive style with a long, sweeping underline.

Edwin S. Mullett

Encls: pages 78 & 29 of the Allstate 2018 Proxy Statement

Copy: Daniel Gordon & Deborah Koenen, Allstate Office of General Counsel

# STOCK OWNERSHIP INFORMATION

## Security Ownership of Directors and Executive Officers

The following table shows the Allstate common shares beneficially owned as of March 1, 2018, by each director and named executive individually, and by all executive officers and directors of Allstate as a group. Shares reported as beneficially owned include shares held indirectly through the Allstate 401(k) Savings Plan and

other shares held indirectly. It also includes shares subject to stock options exercisable, and restricted stock units subject to conversion into common shares, within sixty days of March 1. As of March 1, 2018, none of these shares were pledged as security.

Name of Beneficial Owner	Amount and	Common Stock	Restricted	Total
	Nature of Beneficial	Subject to Options		
	Ownership of Allstate	Exercisable on or prior to	Stock Units <sup>(1)(2)</sup>	Ownership <sup>(1)(3)</sup>
	Common Stock <sup>(1)</sup>	April 29, 2018 <sup>(1)</sup>		
Kermit R. Crawford	1,000	0	13,066	14,066
Michael L. Eskew	190	0	6,180	6,370
Margaret M. Keane	149	0	617	766
Siddharth N. Mehta	0	0	9,544	9,544
Jacques P. Perold <sup>(4)</sup>	35	0	5,190	5,225
Andrea Redmond	4,000	0	24,530	28,530
John W. Rowe	6,025	0	17,687	23,712
Gregg M. Sherrill	0	0	1,125	1,125
Judith A. Sprieser	0	0	34,196	34,196
Mary Alice Taylor	13,048	4,000	34,196	51,244
Perry M. Traquina	777	0	1,783	2,560
Thomas J. Wilson <sup>(4)</sup>	612,730	2,138,705	0	2,751,435
Steven E. Shebik	109,185	371,713	0	480,898
Don Civgin	124,673	256,677	0	381,350
John Dugenske	57	19,180	0	19,237
Matthew E. Winter <sup>(5)</sup>	147,345	409,118	0	556,463
All directors and executive officers as a group (24 total)	1,156,017	3,751,878	150,325	5,058,220

- (1) As of March 1, 2018, no director or executive officer beneficially owned 1% or more of the outstanding common stock of Allstate. The directors and executive officers of Allstate as a group beneficially owned (including common stock subject to stock options exercisable and restricted stock units for which restrictions expire on or prior to April 29, 2018) approximately 1.4% of the common stock outstanding as of March 1, 2018.
- (2) All non-employee directors hold restricted stock units granted under Allstate's equity compensation plans for non-employee directors. This column lists those restricted stock units that would be distributed to directors in the form of shares of common stock within 60 days if any of them were to have retired as a director on March 1, 2018. In addition, some directors hold additional restricted stock units which are not reflected in the table above because common stock would not be distributed to directors until at least one year, and in some cases, as many as ten years, following his or her retirement as a director. For more information regarding the restricted stock units held by each director at the end of 2017, please see the details on page 29.
- (3) These amounts are the sum of the number of shares shown in the prior columns.
- (4) Mr. Perold's common shares are held indirectly by trust. The shares held by Mr. Wilson include shares owned indirectly through a grantor retained annuity trust and a remainder grantor retained annuity trust.
- (5) Mr. Winter retired effective February 23, 2018.

I apologize for the notes and marks on these copies. I attempted to get a new proxy from Allstate but Investor Relations was unable to provide one.

ESM

on 90-day dealer commercial paper; (c) S&P 500 Index, with dividends reinvested; or (d) a money market fund. No director has voting or investment powers in common share units, which are payable solely in cash. Subject to certain restrictions, amounts deferred under the plan, together with earnings thereon, may be transferred between accounts and are distributed after the director leaves the Board in a lump sum or over a period not in excess of ten years in accordance with the director's instructions. For 2017, Messrs. Eskew and Traquina elected to defer their cash retainer into common share units.

- (2) Grant date fair value for restricted stock units granted in 2017 is based on the final closing price of Allstate common stock on the grant dates, which in part also reflects the payment of expected future dividend equivalent rights. (See note 18 to our audited financial statements for 2017.) Mr. Sherrill received a prorated award when he joined the Board in 2017. The final grant date closing price was \$86.94, except with respect to the prorated award granted to Mr. Sherrill, which was \$91.91. The values were computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. Each restricted stock unit entitles the director to receive one share of Allstate common stock on the conversion date (see footnote 3).
- (3) The following table provides outstanding restricted stock units and stock options as of December 31, 2017, for each director.

### Outstanding Awards at Fiscal Year-End 2017

Name	Restricted Stock Units (#)	Stock Options (#)
Mr. Crawford	13,066	0
Mr. Eskew	8,405	0
Mr. Henkel	0	0
Mr. Mehta	9,544	0
Mr. Perold	5,190	0
Ms. Redmond	28,538	0
Mr. Rowe	17,687	0
Mr. Sherrill	1,125	0
Ms. Sprieser	42,196	0
Mrs. Taylor	42,196	4,000
Mr. Traquina	3,749	0

Restricted stock unit awards granted before September 15, 2008, convert into common stock one year after termination of Board service. Restricted stock unit awards granted on or after September 15, 2008, and before June 1, 2016, convert into common stock upon termination of Board service. Restricted stock units granted on or after June 1, 2016, convert into common stock on the earlier of the third anniversary of the date of grant or upon termination of Board service. Directors had the option to defer the conversion of the restricted stock units granted on June 1, 2016, for ten years from the date of grant or the later of termination of Board service or June 1, 2024. The conversion of restricted stock units granted after June 1, 2016, may be deferred for ten years or until termination of Board service. In addition to the conversion rights described above, restricted stock units will convert upon death or disability. Each restricted stock unit includes a dividend equivalent right that entitles the director to receive a payment equal to regular cash dividends paid on Allstate common stock. Under the terms of the restricted stock unit awards, directors have only the rights of general unsecured creditors of Allstate and no rights as stockholders until delivery of the underlying shares.

Non-employee directors do not receive stock options as part of their compensation as a result of a policy change effective on June 1, 2009. All outstanding stock options were exercisable as of December 31, 2017.

All outstanding options were awarded under the terms of the 2006 Equity Compensation Plan for Non-Employee Directors, which specifies that the exercise price for the option awards is equal to the fair market value of Allstate common stock on the grant date. The fair market value is equal to the closing sale price on the date of the grant. If there was no such sale on the grant date, then on the last previous day on which there was a sale. The options became exercisable in three substantially equal annual installments and expire ten years after grant. Stock option repricing is not permitted. An outstanding stock option will not be amended to reduce the option exercise price. However, the plan permits repricing in the event of an equity restructuring (such as a split) or a change in corporate capitalization (such as a merger).

CERTIFIED MAIL

Edwin S. Mullett

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Office of Chief Counsel  
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January 9, 2019

BY EMAIL (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Stockholder Proposal Submitted by Edwin S. Mullett

Ladies and Gentlemen:

This letter is submitted on behalf of The Allstate Corporation, a Delaware corporation (the "Corporation"), pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Corporation requests that the staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") not recommend enforcement action if the Corporation omits from its proxy materials for the Corporation's 2019 Annual Meeting of Stockholders (the "2019 Annual Meeting") the proposal described below for the reasons set forth herein.

General

The Corporation received a proposal and supporting statement (the "Proposal") along with a cover letter dated November 10, 2018, from Edwin S. Mullett (the "Proponent"), for inclusion in the proxy materials for the 2019 Annual Meeting. Copies of the Proposal and related correspondence are attached hereto as Exhibit A. The 2019 Annual Meeting is scheduled to be held on or about May 21, 2019. The Corporation intends to file its definitive proxy materials with the Commission on or about April 8, 2019.

This letter provides an explanation of why the Corporation believes it may exclude the Proposal and includes the attachments required by Rule 14a-8(j). In accordance with Section C of Staff Legal Bulletin 14D (Nov. 7, 2008) ("SLB 14D"), this letter is being submitted by email to shareholderproposals@sec.gov. A copy of this letter also is being sent to the Proponent as

notice of the Corporation's intent to omit the Proposal from the Corporation's proxy materials for the 2019 Annual Meeting.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the Corporation.

### Summary of the Proposal

The Proposal reads as follows:

Shareholders request that the Board of Directors adopt and implement a policy to require that all Directors shall join them as shareholders in the Allstate Corporation.

### Basis for Exclusion

*The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because the Corporation has Substantially Implemented the Proposal.*

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the "substantially implemented" standard in 1983 after determining that the "previous formalistic application" of the rule defeated its purpose, which is to "avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." See Exchange Act Release No. 34-20091 (August 16, 1983) (the "1983 Release"); Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be "fully effected" provided that they have been "substantially implemented" by the company. See 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal when it has determined that the company's policies, practices and procedures or public disclosures compare favorably with the guidelines of the proposal. See, e.g., *The Goldman Sachs Group, Inc.* (Mar. 12, 2018); *Wells Fargo & Co.* (Mar. 6, 2018); *Kewaunee Scientific Corp.* (May 31, 2017); *Wal-Mart Stores, Inc.* (Mar. 16, 2017); *Dominion Resources, Inc.* (Feb. 9, 2016); *Ryder Sys., Inc.* (Feb. 11, 2015); *Wal-Mart Stores, Inc.* (Mar. 27, 2014); *Peabody Energy Corp.* (Feb. 25, 2014); *The Goldman Sachs Group, Inc.* (Feb. 12, 2014); *Hewlett-Packard Co.* (Dec. 18, 2013); *Deere & Co.* (Nov. 13, 2012); *Duke Energy Corp.* (Feb. 21, 2012); *Exelon Corp.* (Feb. 26, 2010); *ConAgra Foods, Inc.* (July 3, 2006); *The Gap, Inc.* (Mar. 16, 2001); *Nordstrom, Inc.* (Feb. 8, 1995); and *Texaco, Inc.* (Mar. 6, 1991, recon. granted Mar. 28, 1991).

Further, the Staff has permitted exclusion under Rule 14a-8(i)(10) where a company already addressed the underlying concerns and satisfied the proposal's essential objective, even

where the company's actions did not precisely mirror the terms of the proposal. For example, in *Exxon Mobil Corp.* (Mar. 21, 2012), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal urging the board to adopt a policy requiring senior executives to retain a significant percentage of stock acquired through the company's equity pay programs until one year following their termination. In arguing that the proposal had been substantially implemented, the company cited to, among other things, its formal stock retention policy, which affirmed the board's expectation that "executive officers must retain a significant percentage of the [company] stock granted to them under the [company's] incentive program for multiple years after retirement." See also *Bank of America Corp.* (Feb. 15, 2013 recon. granted Mar. 14, 2013) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a policy requiring senior executives to retain a significant percentage of shares acquired through equity pay programs until reaching normal retirement age and prohibiting hedging transactions for shares subject to the policy, where the company required senior executive officers to retain "at least 50% of the net after-tax shares from future equity awards" until retirement and prohibited hedging transactions on company share grants); *Allegheny Energy, Inc.* (Feb. 20, 2008) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a policy that a significant portion of future stock option grants to senior executives be performance-based where the company had adopted a policy making stock option vesting contingent upon performance).

The Corporation has substantially implemented the Proposal, the essential objective of which is to align the interests of the Corporation's directors with those of its shareholders through share ownership in the Corporation. In particular, the Proposal's specific request is that the Corporation's Board of Directors (the "Board") "adopt and implement a policy to require that all directors shall join them as shareholders in the Allstate Corporation." The supporting statement further states that "[d]irectors could better represent stockholders if they were stockholders themselves" and "encourage[s] our Directors to join us as shareholders."

The Corporation already has a policy (the "Policy") that clearly sets forth the Board's expectation that directors accumulate an ownership position in the Corporation's common stock. Pursuant to the Policy, as described under the "Director Stock Ownership Guidelines" heading in the Corporation's definitive proxy statement for its 2018 Annual Meeting (the "2018 Proxy Statement"), "[e]ach director is expected, within five years of joining the Board or within five years of an increase in annual retainer, if applicable, to accumulate an ownership position in [the Corporation's] common stock equal to five times the annual value of the standard retainer."<sup>1</sup> The 2018 Proxy Statement also states that, consistent with the Policy, "[e]ach director has met

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<sup>1</sup> See The Allstate Corporation's Definitive Proxy Statement for its 2018 Annual Meeting of Shareholders, at page 28, available at <https://www.sec.gov/Archives/edgar/data/899051/000120677418000988/allstate3288151-def14a.htm> and an excerpt of which is attached hereto as Exhibit B.

the ownership guideline, except for [those] who joined the Board in the last five years.” The Corporation’s Corporate Governance Guidelines provide further clarification on this Policy:

[o]nce a director meets this ownership guideline, the director is deemed to continue to meet it, provided the director does not dispose of securities that result in the director’s ownership falling below the guideline immediately following the disposition . . . if a director’s ownership is below the guideline due to a decline in the stock price, a director is restricted from executing a disposition until the ownership guideline can be satisfied based on the current stock price and after giving effect to the disposition. . . . The following are considered securities for determining ownership: common shares. . . ; restricted stock units; and common share units acquired and held under the deferred compensation plan.<sup>2</sup>

Therefore, the Policy aligns the interests of the Corporation’s directors with those of shareholders through share ownership in the Corporation, which is the essential objective of the Proposal.

In addition, while the supporting statement critiques some aspects of how the Corporation’s directors currently invest in the Corporation, which may imply that the Proponent seeks a different share ownership policy, those criticisms are tangential to the Proposal’s request and therefore cannot be considered part of the Proposal’s essential objective. For example, while the supporting statement notes that some of the Corporation’s directors currently do not own common stock, the Proposal’s request itself does not impose any particular time limit for directors to become shareholders. Rather, the Proposal’s request only requires that directors “join as shareholders” at some point in time, which is addressed by the Policy’s clearly stated expectation that directors become shareholders of the Corporation within five years of joining the Board.

The supporting statement also implies that ownership of restricted stock units is not sufficient to address the Proposal’s concerns, yet the Proposal’s request makes no distinction in the form of shares directors must own. Nevertheless, there is little difference in the nature of the investment represented by ownership of restricted stock units versus common stock, as both share similar characteristics and align the holder’s interests with those of the Corporation’s shareholders. In particular, as described in the 2018 Proxy Statement, “[e]ach restricted stock unit represents [the Corporation’s] promise to transfer one fully vested share of stock in the future” and “[e]ach restricted stock unit includes a dividend equivalent right that entitles the director to receive a payment equal to regular cash dividends paid on [the Corporation’s] common stock.” Thus, even if the Proposal could be read to require a specific form of share ownership, the ownership of restricted stock units furthers the objective of the Proposal because it positions the Corporation’s directors to hold common stock in the future and also ensures that

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<sup>2</sup> See The Allstate Corporation’s Corporate Governance Guidelines, available at <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MzU5Mjg4fENoaWxkSUQ9LTF8VHlwZT0z&t=1&cb=636153282396661459> and attached hereto as Exhibit C.

those directors have a prospective financial interest in the Corporation's performance similar to that of other shareholders.

Therefore, given that the Policy addresses the underlying concerns of the Proposal's specific request, the Corporation has satisfied the Proposal's essential objective. Accordingly, consistent with the precedent described above, the Proposal is excludable from the Company's 2019 proxy materials pursuant to Rule 14a-8(i)(10) as substantially implemented.

Conclusion

On the basis of the foregoing, the Corporation respectfully requests the concurrence of the Staff that the Proposal may be excluded from the Corporation's proxy materials for the 2019 Annual Meeting. Based on the Corporation's timetable for the 2019 Annual Meeting, a response from the Staff by February 7, 2019, would be of great assistance.

If you have any questions or would like any additional information regarding the foregoing, please do not hesitate to contact me at (202) 371-7180.

Thank you for your prompt attention to this matter.

Very truly yours,



Brian V. Breheny

Enclosures

cc: Edwin S. Mullett

Daniel Gordon and Deborah Koenen  
The Allstate Corporation

Hagen J. Ganem  
Skadden, Arps, Slate, Meagher & Flom LLP

EXHIBIT A

(see attached)

Edwin S. Mullett

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November 10, 2018

Office of the Secretary

The Allstate Corporation

2775 Sanders Road, Suite F7

Northbrook, IL 60062-6127

Dear Secretary:

My name is Edwin S. Mullett and I have been a stockholder of Allstate for some 27 years, currently owning 11,981 shares. I have enclosed a copy of my October 2018 Morgan Stanley statement to document my share ownership. You may contact my financial advisors The Zektzer Group at Morgan Stanley 973-467-6329, if necessary, to confirm my share ownership. I wish to submit the following proposal for a vote at the 2019 Annual Meeting:

Shareholders request that the Board of Directors adopt and implement a policy to require that all Directors shall join them as shareholders in the Allstate Corporation.

Supporting statement: It seems self-evident that Directors could better represent stockholders if they were stockholders themselves. Surprisingly, three of our Directors own ZERO shares! They do own restricted stock units that have been given to them but they have refused to spend any of their money to invest in our shares even though they receive up to \$175,000 a year in cash compensation. They do not even qualify to attend the Annual Meeting which is restricted to "holders of Allstate shares". Please support this proposal and encourage our Directors to join us as shareholders.

Respectfully submitted,

A handwritten signature in cursive script that reads "Edwin S. Mullett". The signature is written in black ink and includes a long horizontal flourish at the end.

Edwin S. Mullett



EXHIBIT B

(see attached)

## [Table of Contents](#)

### Corporate Governance Director Compensation

## Director Compensation

### DIRECTOR COMPENSATION PROGRAM

The nominating and governance committee reviews non-employee director compensation annually and proposes changes, as appropriate, based on its review, benchmark information from peer companies and relevant compensation surveys. The following table

describes each component of our non-employee director compensation program for 2017. No meeting fees or other professional fees were paid to the directors.

Role	Quarterly Cash Retainer <sup>(1)</sup>	Equity
Non-Employee Director	\$31,250	The Board believes that a meaningful portion of a director's compensation should be in the form of equity securities to create a linkage with corporate performance and stockholder interests. Directors are granted restricted stock units on June 1 equal in value to \$155,000 divided by the closing price of a share of Allstate common stock on such grant date, rounded to the nearest whole share.
Lead Director	\$12,500	
Audit Committee Chair	\$8,750	
Compensation and Succession Committee Chair and Risk and Return Committee Chair	\$6,250	
Nominating and Governance Committee Chair	\$5,000	

<sup>(1)</sup> Paid in advance on the first day of January, April, July, and October. The retainer is prorated for a director who joins the Board during a quarter.

### DIRECTOR STOCK OWNERSHIP GUIDELINES

Each director is expected, within five years of joining the Board or within five years of an increase in annual retainer, if applicable, to accumulate an ownership position in Allstate common stock equal to five times the annual value of the standard retainer.

Each director has met the ownership guideline, except for Ms. Keane, and Messrs. Mehta, Perold, Sherrill, and Traquina, who joined the Board in the last five years.

### 2017 DIRECTOR COMPENSATION

The following table summarizes the compensation for each of our non-employee directors who served as a member of the Board and its committees in 2017. Margaret Keane has not been included as she was elected to the Board effective January 1, 2018.

Name	Leadership Roles Held During 2017	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)(3)</sup>	All Other Compensation (\$)	Total (\$)
Mr. Crawford		125,000	155,014	–	280,014
Mr. Eskew		125,000	155,014	–	280,014
Mr. Henkel	Retired May 2017	62,500	0	–	62,500
Mr. Mehta	Risk and Return Committee Chair	150,000	155,014	–	305,014
Mr. Perold		125,000	155,014	–	280,014
Ms. Redmond	Nominating and Governance Committee Chair	145,000	155,014	–	300,014
Mr. Rowe	Compensation and Succession Committee Chair	150,000	155,014	–	305,014
Mr. Sherrill		31,250	103,399	–	134,649
Ms. Sprieser	Lead Director	175,000	155,014	–	330,014
Mrs. Taylor	Audit Committee Chair	160,000	155,014	–	315,014
Mr. Traquina		125,000	155,014	–	280,014

<sup>(1)</sup> Under the 2017 Equity Compensation Plan for Non-Employee Directors, directors may elect to receive Allstate common stock in lieu of cash compensation. In 2017, none of the directors elected to receive stock in lieu of cash. Also, under Allstate's Deferred Compensation Plan for Non-Employee Directors, directors may elect to defer their retainers to an account that is credited or debited, as applicable, based on (a) the fair market value of, and dividends paid on, Allstate common shares (common share units); (b) an average interest rate calculated

EXHIBIT C

(see attached)

# THE ALLSTATE CORPORATION

## Corporate Governance Guidelines

### A. Board Principles

#### 1. Role and Responsibilities of the Board

The primary role and responsibility of the Board of Directors is to oversee the affairs of the Corporation for the benefit of the stockholders. The Board is the ultimate decision-making body of the Corporation except with respect to those matters reserved to the stockholders.

The Board's responsibility for oversight of the Corporation's affairs includes, but is not limited to, oversight of the Corporation's strategy, business performance, capital structure, management selection, compensation programs, shareholder advocacy, corporate reputation, social responsibility initiatives, ethical business practices, and Board and Committee structure and operations. It selects the senior leadership team, which is responsible for the day-to-day management of the business. The Board acts as advisor and counselor to senior leadership and ultimately evaluates their performance. The Board (with assistance primarily from the Risk and Return and Audit Committees) also regularly reviews the Corporation's significant risk exposures and how those exposures are managed.

The Board operates with transparency and accountability so that stockholders and other investors have timely, relevant, and accessible information for making decisions regarding investing and voting. To that end, the independent members of the Board annually issue a report to stockholders in the Corporation's proxy statement to convey important strategic, governance, compensation, and other operational highlights during the preceding year.

#### 2. Stockholder Rights and Responsibilities

Stockholders have a right, a responsibility, and a long-term economic interest to vote their shares in a thoughtful manner. The Board believes that stockholders' voting decisions should be based on a careful consideration of the Corporation's particular characteristics including its business, its financial results, and its corporate governance structure.

Voting results are carefully and thoughtfully evaluated by the Board in furtherance of its duty to oversee the affairs of the Corporation for the benefit of the stockholders.

#### 3. Code of Ethics

The long-term success of the Corporation is dependent upon the maintenance of a strong ethical business environment that focuses on adherence to both the letter and the spirit of regulatory and legal mandates. The Corporation's Global Code of Business Conduct establishes the standards by which business is conducted. The Global Code of Business Conduct applies to all directors, employees, and officers, including the Chief Executive Officer and senior financial officers. Directors are required to comply with the Corporation's Global Code of Business Conduct and policies regarding ethical behavior

including, but not limited to, the Corporation's policies on insider trading, conflicts of interest, integrity, privacy, communications, and confidentiality.

#### **4. Corporate Governance**

Decisions on matters of corporate governance are approved by the Board based on the recommendation of the Nominating and Governance Committee and after such consultation with senior leadership (including the CEO) as appropriate. These guidelines have been approved by the Board and reflect the governance framework for the Corporation. The guidelines will be reviewed annually by the Nominating and Governance Committee or more often if deemed necessary.

#### **5. Risk Oversight**

The Board provides independent risk oversight with a focus on the most significant risks facing the Corporation. Oversight of the Corporation's enterprise risk and return management (ERRM) program is the responsibility of the full Board with assistance from the Risk and Return, Audit and other standing Committees.

- The Audit Committee oversees internal controls related to key risks, the major financial risk exposures and how they are managed, and the Corporation's cybersecurity risk initiatives;
- The Risk and Return Committee oversees the Corporation's ERRM framework, governance structure, and decision making, and key risks impacting the Corporation's strategic and operating plans;
- The Compensation and Succession Committee oversees risks related to the organizational health of the Corporation, including inclusive diversity practices, compensation programs, and succession planning; and
- The Nominating and Governance Committee oversees risks related to corporate governance and political contributions, including receiving an annual political contributions risk assessment from the Corporation's Chief Risk Officer.

In each case, management periodically reports to the Board or relevant committee, which provides guidance on risk appetite, assessment, and mitigation. Risks reported to a Committee are reviewed by that Committee and reported up to the Board as warranted.

#### **6. Selection of Board Chair and the CEO**

The Board views the selection of the Chair and the CEO as one of its most important responsibilities. The independent members of the Board determine periodically whether these positions should be held by the same person or by separate individuals based on the recommendation of the Nominating and Governance Committee, the current circumstances of the Corporation, the skills and experiences of the individuals involved, and the leadership composition of the Board. The roles of Chair and CEO may be held by the same person when the individual has sufficient expertise, the ability to effectively fulfill both roles

simultaneously, and the Board concludes that a combined role improves the effectiveness of the Board and management team.

*Chair of the Board.* The independent members of the Board annually select one member of the Board to act as Chair for a one-year period with the general expectation that the individual will serve for a longer period of time, except as circumstances warrant otherwise. In addition to the responsibilities set forth in the Corporation's bylaws, the Chair is responsible for:

- working with the Lead Director, Committee Chairs and Chief Executive Officer (if role is separate from Chair) to set Board direction and agendas,
- coordinating activity between the various Committees,
- ensuring management is effectively providing the proper information and analysis to the Board, and
- working with the Lead Director and Chair of Nominating and Governance Committee to ensure the Board has appropriate capabilities and diversity.

*Chief Executive Officer.* The Board selects the CEO. The CEO should be an effective leader and strategist and have extensive business and operational experience. The CEO should have the intellectual capacity, experience, and decisiveness to execute on corporate priorities and to meet the needs of a wide group of stakeholders. The CEO should exemplify the Corporation's values, including among others, honesty, caring, integrity and inclusive diversity. In addition to the responsibilities set forth in the Corporation's bylaws, the CEO is responsible for the Corporation's overall strategic direction, performance and operating results, as well as corporate stewardship and maintaining and motivating a high performing senior leadership team.

## **7. Selection and Responsibilities of Lead Director**

The Nominating and Governance Committee recommends to the independent members of the Board the election of an independent director to serve as Lead Director, as well as selection considerations to use in evaluating Lead Director nominees. The Lead Director is elected annually by the independent directors (excluding any potential candidates for this role) but is generally expected to serve for more than one year. In selecting the Lead Director, the independent members of the Board consider evolving market, operational, and governance issues facing the Corporation, in addition to the following considerations:

- *Relevant Experience.* The Lead Director should have strong corporate governance, operating, and leadership experience.
- *Chair of Board Committee.* It is preferable that the Lead Director has held a position as Chair of a Board Committee, either at the Corporation or another public company to effectively lead the Board, as appropriate, and leverage all Board member capabilities.
- *Board Experience and Tenure.* The Lead Director should have sufficient tenure so that he or she has deep knowledge of the Corporation's operations, strategy and business to effectively oversee management.

- *Relationship with Board members, the Chair, and the CEO.* To effectively act as a liaison between management, the Chair, and the independent members of the Board, the Lead Director must have strong integrity and professional credibility with the other directors and management.
- *External Commitments.* The Lead Director should have the ability to devote the time and effort necessary to serve as an effective leader.

The responsibilities of the Lead Director are reviewed annually in connection with the annual evaluation of the Lead Director's performance. The responsibilities of the Lead Director include:

- presides at all Board meetings at which the Chair is not present and at all executive sessions;
- has authority to call meetings of the independent directors;
- serves as a liaison between the Chair and the independent directors, and between the Chair and CEO if the roles are held by different individuals, when necessary to provide a supplemental channel of communication;
- works with the Chair in developing, and approves, Board meeting agendas, schedules, and information provided to the Board;
- in conjunction with the Chair of the Compensation and Succession Committee, facilitates and communicates the Board's performance evaluation of the CEO;
- works with the Compensation and Succession Committee to manage the succession processes for the CEO and Chair;
- works with the Chair to ensure the implementation of a Committee self-evaluation process; reviews reports from each Committee to the Board; and provides guidance to Committee Chairs, as needed, with respect to Committee topics, issues, and functions;
- facilitates the Board's self-evaluation process;
- works with the Board Chair and the Nominating and Governance Committee Chair to conduct annual individual director evaluations;
- communicates with significant stockholders and other stakeholders on matters involving broad corporate policies and practices when appropriate; and
- performs additional duties that the independent directors may designate from time to time.

## **8. Evaluation of the Board Chair and CEO**

The Board performs an annual evaluation of each of the Board Chair and the CEO in an executive session with the input of the Compensation and Succession Committee and the Lead Director. The Chair of the Compensation and Succession Committee, in conjunction with the Lead Director, communicates the results of the evaluations to the Chair and CEO individually if they are not the same person.

Evaluations are based on broad-based objective criteria focused on the Corporation's overall performance, accomplishment of long-term strategic objectives, and leadership development. The CEO is evaluated using several criteria, including, but not limited to the following:

- delivering on planned operating priorities,
- achieving strong shareholder returns,
- developing and implementing long-term strategy,
- maintaining and motivating a high performing team, and
- advancing effective corporate stewardship.

The Chair is assessed on overall Board effectiveness, including Board composition and capabilities and the strength of the Board's governance practices.

## **9. Succession Planning and Talent Development**

The Compensation and Succession Committee generally discusses management succession planning four times a year in joint sessions with the Board. Two of the joint meetings are generally focused on potential candidates for senior management roles including the CEO position. The other meetings are focused on unexpected management succession scenarios and the overall corporate practices to develop a diverse set of senior leaders. The Board also reviews the corporation's overall organizational health, including how the organization recruits, develops, and retains people. An important component of this review covers information about the Corporation's efforts and commitment to inclusive diversity. Succession planning discussions generally include input from the CEO regarding senior executive officers' skills, experiences, competencies, and potential in order to assess development opportunities.

## **10. Evaluating Board, Committee, and Individual Director Performance**

With input from the Lead Director, the Nominating and Governance Committee annually reviews and recommends for approval by the Board the criteria and processes to be used to evaluate the performance of the Board and each Committee. The purpose of this annual evaluation review is to increase the effectiveness of the Board and the Committees in fulfilling their responsibilities.

Each director evaluates the Board's performance each year through the completion of a questionnaire and/or participation in interviews. The results and opportunities for improvement are reviewed by the Nominating and Governance Committee and summarized for the full Board. In addition, the Board and each Committee evaluates its performance at the end of each regularly scheduled in-person meeting. The Committee Chairs report to the Lead Director and Board any matters raised during Committee discussions as part of Committee reports to the Board. This ongoing self-assessment process prompts reflection and discussion on the most recently completed meeting to ensure that:

- the objectives of the meeting were satisfied and all agenda items were sufficiently considered;
- the information presented by management was sufficient, complete, understandable and well organized; and

- all necessary agenda items were considered to fulfill Committee and Board responsibilities.

The contributions and performance of each individual director is evaluated annually by the Lead Director, the Chair, and the Chair of the Nominating and Governance Committee. In addition, on a biennial basis, the Lead Director, the Chair, or the Chair of the Nominating and Governance Committee discusses future plans on continued Board membership with each director. Separate discussions are held to evaluate the performance of the Chair, the Lead Director, and the Chair of the Nominating and Governance Committee, with each recusing himself or herself, respectively, for the evaluation of his or her performance. Each director is evaluated based on the approved evaluation criteria to ensure the director:

- is well versed in the core capabilities of strategic oversight, stockholder advocacy, corporate governance, and leadership;
- is knowledgeable about Allstate's business;
- with the other directors, provides the appropriate mix of skills and experience that contribute to the effectiveness of the Board in the following areas: financial services; complex, highly-regulated businesses; risk management; operational risk management; accounting and finance; leadership development; technology; innovation and consumer focus; global perspective; and government, public policy and regulatory affairs;
- exercises independent judgment (and to ensure that judgment has not been impacted by the years of service on Allstate's Board);
- attends meetings and participates in and contributes to the activities of the Board; and
- is free of interests and affiliations or any significant relationship with members of management or the Corporation that could interfere with the exercise of independent judgment.

Individual directors receive feedback from the Lead Director, the Chair, or the Chair of the Nominating and Governance Committee. The outcomes of such evaluations are shared with the Nominating and Governance Committee to support the annual nomination process.

## **B. Board Composition**

### **1. Size and Composition of the Board**

The Board believes that its optimum size range is 9 to 13 directors (although a larger or smaller number may be advisable in periods of transition or other particular circumstances) and that a significant majority of the Board should be composed of independent directors with no significant business or personal ties to members of management or to the Corporation. The Board believes that, in most situations, the CEO should be the only employee-director, but that circumstances may warrant the addition of one other.

The Nominating and Governance Committee and the Board strive to ensure that its composition as a whole comprises talented, experienced, and diverse members that advance the Corporation's business and strategies and assist with its oversight responsibilities. The Board believes that a mix of long- and short-tenured directors ensures an appropriate balance of views and insights and allows the Board as a whole to benefit from the historical and institutional knowledge that longer-tenured directors possess and the fresh perspectives contributed by newer directors.

## **2. Director Qualification Standards**

The Board believes that directors should act on behalf of all stockholders, should not represent the interests of particular constituents, and should reflect a diversity of background, expertise, and perspective arising from gender, age, experience, ethnicity, skill sets, and viewpoints. Directors must always act in a manner consistent with their fiduciary duties of loyalty and care. The Board believes that directors should:

- demonstrate integrity and independent judgment, including the ability to understand, and exercise sound judgment on, issues related to the Corporation's goals.
- have held positions of leadership with businesses or other organizations that the Board deems relevant.
- have business or professional skills and experience that will contribute to the effectiveness of the Board and its Committees, taking into consideration the skills and experience of current directors.
- intend to foster long-term value for the Corporation's stockholders.
- understand and balance the concerns of other stakeholders, including agency owners, employees, customers, and communities.
- be willing and able to devote the time and effort necessary to serve as an effective director, including preparation for Board and Committee meetings, taking into account other commitments, including service on other public company boards.

In order to be effective in carrying out its responsibilities, the Board believes that it should be composed of directors with superior skills or extensive experience in several of the following areas: financial services; complex, highly-regulated businesses; risk management; operational risk management; accounting and finance; leadership development; technology; innovation and consumer focus; global perspective; government, public policy and regulatory affairs.

The Nominating and Governance Committee applies these criteria in recommending nominees for election to the Board. Periodically, the Nominating and Governance Committee reviews these criteria to ensure that they appropriately reflect the issues that should be considered in evaluating director candidates.

### **3. Service on Other Public Company Boards**

Directors who are active executives may serve on the boards of no more than two public companies, and other directors may serve on the boards of no more than four public companies, in addition to the Corporation's Board in each case.

### **4. Independence Standard for Non-Employee Directors**

The Board expects a non-employee director to be free of interests or affiliations that could give rise to a biased approach to directorship responsibilities or a conflict of interest and to be free of any significant relationship with the Corporation that would interfere with the director's exercise of independent judgment.

A director will not qualify as "independent" unless the Board affirmatively determines that the director has no material relationship with the Corporation. The Nominating and Governance Committee assesses the independence of nominees and makes recommendations to the Board on matters related to director independence, including Board tenure to ensure that longer-tenured directors continue to effectively fulfill their responsibilities with an undiminished level of independence. The Board determines the independence of each director and discloses the determinations as required in accordance with regulatory requirements. The Board adopted director independence guidelines to assist in this process. Those independence guidelines are attached as Appendix A to these guidelines.

In addition, the Board's confidentiality and recusal procedures address potential conflicts of interest and the protection of confidential or proprietary information presented at Board meetings when a member of the Board has a relationship with another company or entity whose products or services may be potentially competitive with those offered by the Corporation or its affiliates. The General Counsel is responsible for the interpretation and application of these procedures when appropriate.

Executive officers of the Corporation may not serve on boards of other corporations whose executive officers serve on the Corporation's Board.

### **5. Identification of Director Candidates; Invitation to Join the Board**

In identifying candidates to be nominated for election as directors, the Nominating and Governance Committee solicits input from current directors. The Committee considers stockholder-recommended candidates and self-nominations and evaluates each on the same basis as other candidates. The Nominating and Governance Committee may also retain a search firm. The Committee evaluates candidates and makes recommendations to the Board regarding potential nominees. Ultimately, the Board determines who will be nominated.

An invitation to join the Board may be extended by the Board itself or, with the Board's authorization, by the Nominating and Governance Committee Chair or by the Board Chair.

## **6. Director Orientation and Continuing Development**

New directors meet with members of senior leadership to review the Corporation's markets, competitors, business, strategies, operating performance, risk profile, leadership, culture and corporate governance. New directors also receive background materials related to these matters and visit the corporate facilities.

To continue development, directors meet regularly with members of senior leadership in one-on-one discussions and may participate in external programs and become members of organizations that assist in enhancing director skill sets. Reasonable costs incurred in connection with such programs will be reimbursed by the Corporation. In addition, management regularly makes in-depth presentations and provides educational materials to the Board on particular aspects of the Corporation's business.

## **7. Director Resignations; Decisions to Not Stand for Re-Election; Directors who Change their Present Responsibilities**

Directors who intend to resign or who intend to not stand for re-election at the Corporation's next annual meeting of stockholders are required to notify the General Counsel, the Secretary, or an assistant secretary. Such notice facilitates compliance with the Corporation's reporting responsibilities and allows for effective planning with regard to the composition of the Board.

Directors who change their principal employment are required to offer to resign from the Board. The offer should be submitted to the General Counsel, the Secretary, or an assistant secretary. While the resignation may not be accepted, the practice provides an opportunity for the Board, initially through the Nominating and Governance Committee, to review the appropriateness of the director's continued membership on the Board.

Directors who anticipate a change in other responsibilities, such as board service on other companies, are required to provide 60 days advance notice of proposed changes to the Secretary. Such notice facilitates a review of potential conflicts and whether the change impacts a director's ability to devote the time and effort necessary to serve as an effective director of the Corporation.

## **8. Term Limits**

The Board has not established term limits, but the Nominating and Governance Committee considers director tenure in connection with annual director nominations. The Nominating and Governance Committee makes recommendations to ensure that the Board consists of independent-minded members who are open to new ideas and willing to critically re-examine the status quo.

## **9. Retirement Age**

Each non-employee director must retire from the Board by not standing for re-election at the first annual meeting of stockholders that is held in the calendar year following his or her

72nd birthday, unless the Board determines that it is in the best interests of the Corporation and its stockholders to extend the director's service for an additional period of time.

#### **10. Resignation or Retirement of Officers or Employees as Board Members**

The Board expects that, when a director who is also an officer or an employee of the Corporation resigns or retires from the Corporation, he or she will resign from the Board at the same time, unless the Board determines that continued Board service for an additional period of time is in the best interest of the Corporation and its stockholders. Such resignation should be submitted to the Corporation's General Counsel, the Secretary, or an assistant secretary.

#### **11. Director Compensation Review**

The independent compensation consultant reports to the Nominating and Governance Committee annually on the status of the Corporation's director compensation in relation to peer companies.

Changes in director compensation are proposed from time to time by the Nominating and Governance Committee and are subject to discussion and approval by the Board.

As part of a director's total compensation, and to create a linkage with corporate performance, the Board believes that a meaningful portion of a director's compensation should be in the form of equity securities of the Corporation.

#### **12. Director's Ownership of Allstate Securities**

Within five years of joining the Board, each director is expected to accumulate an ownership position in Allstate securities equal to five times the value of the annual cash retainer paid for Board service.

Once a director meets this ownership guideline, the director is deemed to continue to meet it, provided the director does not dispose of securities that result in the director's ownership falling below the guideline immediately following the disposition. A subsequent decline in the stock price, by itself, does not affect compliance with the guideline. However, if a director's ownership is below the guideline due to a decline in the stock price, a director is restricted from executing a disposition until the ownership guideline can be satisfied based on the current stock price and after giving effect to the disposition. In the event the annual cash retainer increases, each director has five years from the time of the increase to acquire any additional securities needed to meet this guideline.

The following are considered securities for determining ownership:

- common shares owned individually, either directly or indirectly;
- common shares owned jointly with, or separately by the director's spouse, domestic partner, or minor children, either directly or indirectly;
- restricted stock units; and

- common share units acquired and held under the deferred compensation plan.

## **C. Board Meetings and Materials; Access to Management and Advisors**

### **1. Agendas for Board Meetings**

The Board typically meets at least six times a year, with additional meetings as necessary. The Chair develops, in consultation with the Lead Director, a proposed annual Board agenda for regularly recurring matters and planned special topics and reviews it with the Board to obtain input from the directors before it is finalized.

The Chair works with the Lead Director to establish agendas, schedules, and meeting materials for each Board meeting, consistent with the annual agenda and including such additional matters as may be appropriate. Directors may suggest additional agenda items and may raise at any meeting subjects that are not on the agenda. At least one Board meeting each year includes a review of the Corporation's annual and long-term strategic plans and financial goals.

### **2. Advance Review of Materials and Attendance Policy**

The Chair in consultation with the Lead Director ensures that information important to the Board's or a Committee's understanding of the business to be conducted at a meeting is distributed to the members in advance. This permits more meeting time to be spent on discussion and questions from directors. If the subject is too sensitive to be distributed in writing, the presentation will be made at the meeting.

It is expected that Board members review meeting materials in advance, attend meetings of the Board and the Committees on which they serve and actively participate in discussions. It is also expected that Board members make every effort to attend the annual meeting of stockholders.

### **3. Executive Sessions and Special Meetings of Independent Directors**

There are typically three executive sessions held during each in-person Board meeting, with one session that is held with just the independent members of the Board, and two executive sessions held between the independent members of the Board and the CEO. One of the executive sessions with the CEO typically takes place before the Board meeting begins, and the other takes place as the last formal agenda item of the Board meeting. The independent members of the Board meet alone in executive session at the end of every in-person Board meeting, and such executive sessions are chaired by the Lead Director. The Lead Director also has the authority to call meetings of the independent members of the Board that may or may not include the Chair.

### **4. Board Access to Senior Leadership**

Directors may initiate contact with the Corporation's management. The CEO is encouraged to invite key members of management to Board meetings on a regular basis so that they

may provide additional insight into the items being discussed. The Board believes it is important for directors to know the Corporation's key senior officers and welcomes their attendance at and participation in Board meetings. The Board also expects that management will use this process to provide exposure to managers with senior leadership potential.

## **5. Board and Committee Access to Independent Advisors**

The Board and each of its Committees have the authority to retain third-party advisors. Outside experts such as independent auditors, compensation consultants, governance specialists, cybersecurity experts, board search firm representatives and financial advisors attend meetings to provide directors with additional information and advice on issues.

## **D. Committees**

### **1. Standing Committees of the Board**

The Board has the following standing Committees: the Audit Committee, the Compensation and Succession Committee, the Executive Committee, the Nominating and Governance Committee, and the Risk and Return Committee.

The Audit, Compensation and Succession, Nominating and Governance and Risk and Return Committees consist solely of independent directors as defined above and as defined in the Committee charters. The Executive Committee consists of the Lead Director, the Chairs of the Audit, Risk and Return, Compensation and Succession, and Nominating and Governance Committees, and the Board Chair.

Each Committee maintains a charter, which is posted on the Corporation's website. The Board may form additional Committees.

### **2. Assignment and Rotation of Committee Members**

The Nominating and Governance Committee recommends to the Board, and the Board designates, the members and the Chairs of the Committees, taking into account the preferences and experience of the individual directors.

The Board reviews Committee membership annually and considers whether membership changes should be made with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors. There are no fixed terms for Committee membership. The Board believes that rotation of Committee assignments should occur at periodic intervals but should not be mandated as a policy as there may be reasons to maintain an individual director's Committee membership.

### **3. Audit Committee Membership**

The Nominating and Governance Committee reviews and assesses the independence, experience, and financial literacy of nominees for the Audit Committee, including Audit Committee Financial Experts.

### **4. Committee Meetings**

The Risk and Return, Compensation and Succession and Nominating and Governance Committees typically meet at least five times a year, with some Committees meeting more frequently when needed. The Audit Committee typically meets eight times a year. The Executive Committee meets on an as-needed basis. Many Committee meetings are scheduled to coincide with regular Board meetings. Committee Chairs may call additional meetings, as needed.

### **5. Committee Agendas and Materials**

Each Committee, other than the Executive Committee, approves an annual agenda. The Chair of each Committee works with the Lead Director, the Board Chair, and other directors and management, as appropriate, prior to each meeting to discuss meeting agendas and materials. Each Committee Chair reviews and approves Committee materials in advance of distribution to Committee members, who receive the materials in advance of each meeting. During meetings, Committee members may raise subjects that are not on the meeting agenda.

## **E. Communication with Board; Audit Complaint Procedures**

### **1. Board Interaction with Stakeholders**

The Board has established a process for stockholders and other stakeholders to communicate directly with its members. The process is described in the Corporation's annual proxy statement and on the Corporation's website.

In addition, the CEO is responsible for establishing effective communications with the Corporation's stakeholder groups, including stockholders, policyholders, customers, employees, agency owners, communities, suppliers, distributors, creditors, and governmental authorities.

It is the policy of the Corporation to select individuals to communicate and interact with these stakeholders. The Lead Director is available for communications with significant stockholders and other stakeholders on matters involving broad corporate policies and practices when appropriate.

## **2. Complaints Regarding Accounting, Internal Controls, and Auditing**

The Audit Committee has established procedures for complaints regarding accounting, internal controls, and auditing matters, including procedures for the confidential and anonymous submission of complaints by employees.

## **F. Additional Policies**

### **1. Policy on Corporate Involvement in the Public Policy Arena**

The Corporation is involved in the public policy arena at the state and federal levels and provides comprehensive disclosures on its involvement in the public policy arena on the Corporation's website. Support is provided to research associations, coalitions, industry trade associations, non-profit organizations, and other groups that seek to advance public policy initiatives that promote personal safety and property protection or address other issues that affect Allstate's stakeholders.

Generally speaking, corporate contributions are made when state and federal regulations affecting the insurance industry are proposed, fair court systems for our customers are at risk, and where factors combine to compel the Corporation to seek sound public policies that advance Allstate's interests.

Similar guidelines and procedures are applied when considering the support of individual candidates for office. Direct corporate political contributions support candidates whose views and positions are aimed at improving the marketplace for the Corporation, the insurance industry, and the consumer of our products and services, and strengthening the capital markets. All such direct contributions are publicly disclosed as required by applicable state or federal law.

All political contributions are made to promote the interests of the Corporation without regard to the personal preferences of the Corporation's executives and are in accordance with all applicable laws, rules and regulations. Management will provide the Nominating and Governance Committee with a report, at least semi-annually, with respect to the Corporation's public policy involvement, including political contributions. The Nominating and Governance Committee will report to the Board, at least annually, with respect to its review of this report. The Chief Risk Officer will provide an annual risk and return review of Allstate's political involvement to the Nominating and Governance Committee and Board.

### **2. Stockholder Rights Plans**

The Board will obtain stockholder approval prior to adopting any stockholder rights plan; *provided, however*, that the Board may act on its own to adopt a stockholder rights plan if, under the then current circumstances, in the reasonable business judgment of the independent directors, the fiduciary duties of the Board would require it to adopt a rights plan without prior stockholder approval. The retention of any rights plan so adopted by the Board will be submitted to a vote of stockholders as a separate ballot item at the next

subsequent annual meeting of stockholders and, if not approved, such rights plan will expire within one year after such meeting.

*The Corporate Governance Guidelines are publicly disclosed and posted on the Corporation's website. As amended, effective November 16, 2018.*

## Appendix A

### Director Independence Standards

#### 1. General

For purposes of determining whether each non-employee director or nominee for election to the Board is independent, the Board will assess whether the director or nominee has any relationships with The Allstate Corporation or any of its subsidiaries<sup>1</sup>, either directly or indirectly through a relationship with another entity, that would affect in any way the director's or nominee's independent judgment. In doing so, the Board will assess the materiality of any such relationship to the Allstate Group and to the entities with which the director or nominee has an affiliation.

#### 2. Disqualification

A director (or nominee) will not be considered "independent" under the following circumstances:

- (a) The director is, or has been within the last three years, an employee of the Allstate Group, or an immediate family member is, or has been within the last three years, an executive officer of The Allstate Corporation.
- (b) The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Allstate Group, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) and, in the case of an immediate family member, other than compensation received for service as a non-executive officer employee.
- (c) The director is a current partner or employee of a firm that is the auditor for any member of the Allstate Group; the director has an immediate family member who is a current partner of any such firm; the director has an immediate family member who is a current employee of any such firm and personally works on any member of the Allstate Group's audit; or the director or an immediate family member was within the last three years a partner or employee of any such firm and personally worked on the audit of any member of the Allstate Group within that time.
- (d) The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any present executive officer of The Allstate Corporation at the same time serves or served on that company's compensation committee.

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<sup>1</sup> The term "subsidiaries" is intended to include only consolidated subsidiaries of The Allstate Corporation. In these standards, The Allstate Corporation and its consolidated subsidiaries are referred to as the "Allstate Group."

- (e) 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, the Allstate Group for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues for such year.

As used above, the term "immediate family member" means a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than tenants or domestic employees) who shares such person's home.

As used in clause (e), above, the term "company" includes tax exempt organizations, if any, to which the Allstate Group or The Allstate Foundation has made non-charitable payments or from which the Allstate Group or The Allstate Foundation has received payments, but the payments referred to in clause (e) do not include charitable contributions made by the Allstate Group or The Allstate Foundation to such tax exempt organizations.

In addition to the foregoing, a director will be disqualified from membership on the Compensation and Succession Committee, unless he or she qualifies as an "outside director" under Section 162(m) of the Internal Revenue Code and as a "non-employee director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934. A director will be disqualified from membership on the Audit Committee if he or she is an "affiliated person" with respect to The Allstate Corporation as defined in Rule 10A-3 under the Securities Exchange Act of 1934 or accepts, directly or indirectly, any consulting, advisory or other compensatory fees from the Allstate Group, other than fees for services rendered as a member of the Board, the Audit Committee or any other Board Committee.

### **3. Categorical Standards of Independence**

From time to time the Board may determine that certain types of relationships do not create a conflict of interest that would impair a director's independence because they are inconsequential in nature or amount and that the specific details of such relationships need not be further considered by the Board. In such cases, The Allstate Corporation will describe the relationship by category or type in the proxy statement. The Board reviews the details of other relationships in which directors, nominees, or their immediate family members may have a direct or indirect material interest to determine whether they would create a conflict of interest that would affect a director's independent judgment. For each director or nominee that is identified as independent in its annual meeting proxy statement, The Allstate Corporation will describe any such other relationships that were reviewed by the Board in reaching an independence determination and that are not otherwise disclosed in the proxy statement.