



KELLOGG COMPANY  
BOARD OF DIRECTORS

## **COMPENSATION AND TALENT MANAGEMENT COMMITTEE**

### **CHARTER**

**February 16, 2018**

#### **Purpose**

The Compensation and Talent Management Committee (hereinafter referred to as the “Committee”) shall discharge the Board’s responsibilities relating to compensation of the Company’s Covered Executives. Covered Executives include the Company’s Executive Officers, as defined by the SEC (hereinafter referred to as “Executive Officers”) and Other Executives, determined each October as the Independent Compensation Consultant develops its annual compensation assessment for the Committee (hereinafter referred to as “Other Executives”) (collectively, referred to herein as, “Covered Executives”). The Committee has overall responsibility for approving and evaluating Covered Executives’ compensation plans, policies and programs of the Company. While the Board retains the oversight responsibility for the annual organizational review, senior executive development, and CEO succession, the Committee is delegated certain responsibilities relating to talent and talent management programs and policies.

#### **Committee Membership and Function**

The Committee shall consist of no fewer than three members and would generally be expected to meet at least three times a year. The members of the Committee shall meet the independence requirements of the New York Stock Exchange and any other requirements in the benefit plans that the Committee administers, with the Board to affirmatively determine that the members are independent, and disclose that determination, to the extent required. The Committee Chair and CEO have been delegated the following authority:

- Chairperson of the Committee is delegated the authority to approve (a) off-cycle compensation (including retention agreements) for Other Executives; and (b) severance arrangements for the Executive Officers, provided such arrangements are within then-current policy. The Committee Chair shall report any such off-cycle compensation change for any Other Executive or

any such Executive Officer severance arrangement at the next Compensation Committee and Board meeting.

- CEO is delegated the authority to approve (a) routine off-cycle compensation for senior executives who are not Covered Executives, provided such compensation is consistent with the relevant plans; and (b) all off-cycle compensation (including stock and stock option grants) for employees who are not Covered Executives, provided the compensation is consistent with relevant plans, and further provided that the stock and stock option grants are within budgeted levels and award guidelines.

## **Committee Authority and Responsibilities**

Annual Compensation:

1. The Committee has overall responsibility for approving and evaluating Covered Executives' compensation plans, policies and programs of the Company.
2. The Committee shall oversee the evaluation of, and review, monitor, and make recommendations to the Board with respect to, the overall compensation for the Company's Covered Executives, including compensation policies and practices, pay tallies, perquisites and other fringe benefits. In so doing, the Committee shall review and assess risks arising from the Company's compensation policies and practices.
3. The Committee, together with all other independent members of the Board, shall annually review and approve corporate goals and objectives relevant to the CEO's compensation and recommend to the independent members of the Board the CEO's compensation levels (including, but not limited to, the annual base salary level, annual incentive opportunity level, and long-term incentive opportunity level). In recommending the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance on measures set from time to time by the Committee, the value of similar incentive awards granted to CEOs at comparable companies, the awards given to the CEO in past years, and relative shareholder return.
4. Off-Cycle Compensation/Severance. The Committee shall review and approve off-cycle compensation (including retention agreements or other off-cycle equity grants) for all Executive Officers.
5. New Compensation. The Committee shall review and approve off-cycle compensation for new Executive Officers (either through promotions or new hires), and the Chair of the Committee is delegated the authority to approve off-cycle compensation for new Other Executives.
6. The Committee shall have the sole authority to retain, establish the scope of the engagement of, and terminate any compensation consultant or other

advisor to be used to assist in the evaluation of CEO or Covered Executive compensation. Except as provided in the following sentence, the Committee shall have sole authority to pre-approve the services of the consultant or other advisor, related fees and other retention terms. The Chair of the Committee is delegated the authority to pre-approve any such services and pre-approve (or approve) up to \$100,000 for such services. The Chair shall present such approvals at the next Committee meeting. The Committee shall also have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Company shall provide adequate funding, as determined by the Committee, for the matters referenced in this paragraph. Prior to retaining any such consultant, or other advisor, the Committee shall consider whether the work of such consultant or other advisor would raise a conflict of interest according to the independence factors enumerated by the New York Stock Exchange, as well as any other factors the Committee determines to be relevant.

7. The Committee shall review and recommend to the Board the adoption or termination of any significant employee benefit plan, including incentive-compensation plans and equity-based plans.
8. The Committee shall review with management the Company's employment litigation and other related matters.
9. The Committee shall administer employee benefit plans of the Company and its subsidiaries, to the extent provided in those plans, and shall review trends in management compensation.
10. The Committee shall (a) review and discuss with management the Compensation Discussion and Analysis ("CD&A") required by SEC regulations, and based on such review and discussion, recommend to the Board whether the CD&A should be included in the Company's Proxy Statement and other SEC filings; (b) prepare a Committee Report to be included in the Company's SEC filings; and (c) otherwise oversee the Company's compliance with compensation reporting required by the SEC, including reviewing all comment letters received by the Company in connection with executive compensation.
11. The Committee shall review and recommend for approval by the Board (a) the Company's approach with respect to the advisory vote on executive compensation (a "say-on-pay") and (b) how frequently the Company should permit shareowners to have a say-on-pay, taking into account the results of shareowner votes on the frequency of say-on-pay resolutions at the Company. The Committee also shall review the results of say-on-pay resolutions and consider any implications.
12. The Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Nominating and Corporate Governance Committee for approval.

13. The Committee will (a) report to the Board at the next regularly scheduled Board meeting after one or more Committee meetings, (b) otherwise regularly report to the Board, and (c) annually conduct a performance review of its activities.

Talent:

14. The Committee shall review the Company's talent development programs including succession planning, leadership development, performance management and talent acquisition.
15. The Committee shall review the Company's diversity and inclusion programs and policies.

### **Administrative Matters**

A majority of the members of this Committee shall constitute a quorum for the transaction of business, and the act of the majority of Committee members present at a meeting where a quorum is present shall be the act of this Committee, unless a different vote is required by express provision of law, the Bylaws or the Certificate of Incorporation. Unless otherwise provided by the Bylaws or the Certificate of Incorporation: (i) any action required or permitted to be taken at any meeting of this Committee may be taken without a meeting if all of the members consent thereto (a) in writing or (b) by electronic transmission and such writings or transmissions are filed with the minutes of this Committee; and (ii) members of this Committee may participate in a meeting by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence at such a meeting.

This Committee may form and delegate authority to subcommittees when appropriate. Except as expressly provided in this Charter, the Bylaws or the Certificate of Incorporation, this Committee may fix its own rules of procedure.