

KELLOGG CO  
Form DEF 14A  
March 07, 2018

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

SCHEDULE 14A  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to § 240.14a-11(c) or §240.14a-12

KELLOGG COMPANY  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

KELLOGG COMPANY, BATTLE CREEK, MICHIGAN 49017-3534

Dear Shareowner:

On behalf of the Board of Directors, it is our pleasure to invite you to attend the 2018 Annual Meeting of Shareowners of Kellogg Company. The meeting will be held at 1:00 p.m. Eastern Time on April 27, 2018 at the McCamly Plaza Hotel, 50 Capital Avenue SW, Battle Creek, Michigan.

The following pages contain the formal Notice of the Annual Meeting and the Proxy Statement. Please review this material for information concerning the business to be conducted at the meeting and the nominees for election as Directors.

We are pleased to take advantage of the Securities and Exchange Commission rules that allow companies to furnish proxy materials to their shareowners on the Internet. We believe these rules allow us to provide our Shareowners with the information they need, while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting.

Attendance at the Annual Meeting will be limited to Shareowners only. Please note that, if you plan to attend the meeting you must request an admission ticket. You can obtain an admission ticket by registering online via [www.proxyvote.com](http://www.proxyvote.com) and following the instructions provided. You will need the 16-digit control number included on your proxy card, voter instruction form, or notice. Seating at the annual meeting location is limited, and requests for tickets will be processed in the order in which they are received. If you do not pre-register for the meeting, a seat cannot be guaranteed. If seating is available, you will be issued an admission ticket at the on-site registration table by showing proof of Kellogg stock ownership. In any event, you must register if you wish to attend the annual meeting. If any Shareowner needs special assistance at the meeting, please contact Shareowner Services at (269) 961-2800 or by email at [investor.relations@kellogg.com](mailto:investor.relations@kellogg.com).

Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote your shares as soon as possible. You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy or voting instruction card by mail, you may sign, date and mail the card in the envelope provided.

Sincerely,

Steve Cahillane

Chief Executive Officer

March 7, 2018

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KELLOGG COMPANY

One Kellogg Square

Battle Creek, Michigan 49017-3534

NOTICE OF THE ANNUAL MEETING OF SHAREOWNERS

TO BE HELD APRIL 27, 2018

TO OUR SHAREOWNERS:

The 2018 Annual Meeting of Shareowners of Kellogg Company, a Delaware corporation, will be held at 1:00 p.m. Eastern Time on April 27, 2018 at the McCamly Plaza Hotel, 50 Capital Avenue SW, Battle Creek, Michigan, for the following purposes:

1. To elect four Directors for a three-year term to expire at the 2021 Annual Meeting of Shareowners;
2. To vote on an advisory resolution to approve executive compensation;
3. To ratify the Audit Committee's appointment of PricewaterhouseCoopers LLP for our 2018 fiscal year; and
4. To take action upon any other matters that may properly come before the meeting, or any adjournments thereof.

Only Shareowners of record at the close of business on February 28, 2018 will receive notice of and be entitled to vote at the meeting or any adjournments. We look forward to seeing you there.

By Order of the Board of Directors,

Gary Pilnick

Vice Chairman, Corporate Development and Chief Legal Officer

March 7, 2018

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PROXY STATEMENT  
FOR THE ANNUAL MEETING OF SHAREOWNERS  
TO BE HELD ON FRIDAY, APRIL 27, 2018

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ABOUT THE MEETING

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Information About this Proxy Statement.

**Why You Received this Proxy Statement.** You have received these proxy materials because our Board of Directors, which we refer to as the Board, is soliciting your proxy to vote your shares at the 2018 Annual Meeting of Shareowners of Kellogg to be held at 1:00 p.m. Eastern Time at the McCamly Plaza Hotel, 50 Capital Avenue SW, in Battle Creek, Michigan, on Friday, April 27, 2018, or any adjournments thereof. This proxy statement includes information that we are required to provide to you under the rules of the Securities and Exchange Commission and that is designed to assist you in voting your shares. On March 7, 2018, we began to mail to our Shareowners of record as of the close of business on February 28, 2018, either a notice containing instructions on how to access this proxy statement and our annual report online or a printed copy of these proxy materials. If you own our common stock in more than one account, such as individually and also jointly with your spouse, you may receive more than one notice or set of these proxy materials. To assist us in saving money and to serve you more efficiently, we encourage you to have all your accounts registered in the same name and address by contacting our transfer agent, Broadridge Corporate Issuer Solutions, Inc., P.O. Box 1342, Brentwood, NY 11717; phone number: (877) 910-5385 or e-mail: [shareholder@broadridge.com](mailto:shareholder@broadridge.com).

**Notice of Electronic Availability of Proxy Statement and Annual Report.** As permitted by Securities and Exchange Commission rules, we are making this proxy statement and our annual report available to our Shareowners electronically via the Internet. The notice of electronic availability contains instructions on how to access this proxy statement and our annual report and vote online. If you received a notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report. The notice also instructs you on how you may submit your proxy over the Internet or by telephone. If you received a notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained on the notice.

**Summary Processing.** The Securities and Exchange Commission's rules permit us to print an individual's multiple accounts on a single notice or set of annual meeting materials. This printing method is referred to as "summary processing" and may result in cost savings. To take advantage of this opportunity, we have summarized on one notice or set of annual meeting materials all of the accounts registered with the same tax identification number or duplicate name and address, unless we received contrary instructions from the impacted Shareowner prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the notice or annual meeting materials, as requested, to any Shareowner to which a single copy of those documents was delivered. If you prefer to receive separate copies of the notice or annual meeting materials, contact Broadridge Financial Solutions, Inc. at (800) 542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

If you are currently a Shareowner sharing an address with another Shareowner and wish to receive only one copy of future notices or annual meeting materials for your household, please contact Broadridge at the above phone number or address.

**Who Can Vote — Record Date.** The record date for determining Shareowners entitled to vote at the Annual Meeting is February 28, 2018. Each of the approximately 346,590,681 shares of Kellogg common stock issued and outstanding on that date is entitled to one vote at the Annual Meeting.

**How to Vote — Proxy Instructions.** If you received a notice of electronic availability, you cannot vote your shares by filling out and returning the notice. The notice, however, provides instructions on how to vote by Internet, by telephone or by requesting and returning a paper proxy card or voting instruction card.



If your shares are registered directly in your name with our transfer agent, you are considered, with respect to those shares, the shareowner of record. As the shareowner of record, you have the right to vote in person at the meeting. If your shares are held in a brokerage account or by another nominee or trustee, you are considered the beneficial owner of shares held in “street name.” As the beneficial owner, you are also invited to attend the meeting. Since a beneficial owner is not the shareowner of record, you may not vote these shares in person at the meeting unless you obtain a “legal proxy” from your broker, nominee or trustee that holds your shares, giving you the right to vote the shares at the meeting.

Whether you hold shares directly as a registered shareowner of record or beneficially in street name, you may vote without attending the meeting. You may vote by granting a proxy or, for shares held beneficially in street name, by submitting voting instructions to your broker, nominee or trustee. In most cases, you will be able to do this by telephone, by using the Internet or by mail if you received a printed set of the proxy materials.

**By Telephone or Internet** — You may submit your proxy by following the instructions provided in the notice of electronic availability, or if you received a printed version of the proxy materials by mail, by following the instructions provided with your proxy materials and on your proxy card or voting instruction card. The telephone and Internet voting procedures have been set up for your convenience and have been designed to authenticate your identity, to allow you to give voting instructions, and to confirm that those instructions have been recorded properly. The deadline for voting by telephone or via the Internet is 11:59 p.m. Eastern Time on Thursday, April 26, 2018.

**By Mail** — If you received printed proxy materials, you may submit your proxy by mail by signing your proxy card if your shares are registered or, for shares held beneficially in street name, by following the voting instructions included by your broker, nominee or trustee, and mailing it in the enclosed envelope.

If you wish to vote using the proxy card, complete, sign, and date your proxy card and return it to us by April 26, 2018.

Whether you vote by telephone, over the Internet or by mail, you may specify: whether your shares should be voted for all, some or none of the nominees for Director (Proposal 1); whether you approve, disapprove, or abstain from voting on the advisory resolution to approve Kellogg’s executive compensation (Proposal 2); and whether you approve, disapprove, or abstain from voting on the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2018 (Proposal 3).

When a properly executed proxy is received, the shares represented thereby, including shares held under our Dividend Reinvestment Plan, will be voted by the persons named as the proxy according to each Shareowner’s directions. Proxies will also be considered to be voting instructions to the applicable Trustee with respect to shares held in accounts under our Savings & Investment Plans and other applicable employee benefit plans.

If the proxy is properly executed but you do not specify how you want to vote your shares on your proxy card or voting instruction card, or voting by telephone or over the Internet, we will vote them “For” the election of all nominees for Director as set forth under Proposal 1 - Election of Directors below and “For” Proposals 2 and 3, and otherwise at the discretion of the persons named in the proxy card.

**Revocation of Proxies.** If you are a shareowner of record, you may revoke your proxy at any time before it is exercised in any of three ways:

- by submitting written notice of revocation to our Secretary;
- by submitting another proxy by telephone, via the Internet or by mail that is later dated and, if by mail, that is properly signed; or
- by voting in person at the meeting.

If your shares are held in street name, you must contact your broker, nominee or trustee to revoke and vote your proxy.

**Quorum.** A quorum of Shareowners is necessary to hold a valid meeting. A quorum will exist if the holders representing a majority of the votes entitled to be cast by the Shareowners at the Annual Meeting are present, in person or by proxy. Broker “non-votes” and abstentions are counted as present at the Annual Meeting for purposes of determining whether a quorum exists. A broker “non-vote” occurs when a nominee, such as a bank or broker, holding





shares for a beneficial owner, does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Under current New York Stock Exchange rules, nominees would have discretionary voting power for ratification of PricewaterhouseCoopers LLP (Proposal 3), but not for voting on the election of Directors (Proposal 1), or the advisory resolution to approve Kellogg's executive compensation (Proposal 2).

**Required Vote.** Our Bylaws contain a majority voting standard for the election of Directors in an uncontested election, such as this election. This means that, in order to be elected in an uncontested election, a Director nominee must receive a greater number of votes cast "for" such Director nominee than votes cast "against" such Director nominee (excluding abstentions). In addition, our Board has adopted a policy governing what will occur in the event that a Director nominee does not receive the required vote for a nominee's election. No Director will be nominated for election or otherwise be eligible for service on the Board unless and until the candidate has delivered an irrevocable resignation to the Nominating and Corporate Governance Committee that would be effective upon (i) the Director's failure to receive the required vote in an election of Directors and (ii) the Board's acceptance of his or her resignation. If any nominee is unable or declines to serve, proxies will be voted for the balance of those named and for the person designated by the Board to replace any nominee. However, the Board does not anticipate that this will occur. For more information about this policy, see "Corporate Governance — Majority Voting for Directors; Director Resignation Policy." The affirmative vote of the holders representing a majority of the shares present and entitled to vote at the Annual Meeting is necessary to approve the advisory resolution on Kellogg's executive compensation (Proposal 2) and to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2018 (Proposal 3).

Shares present but not voted because of abstention will have the effect of a "no" vote on Proposal 2. If you do not provide your broker or other nominee with instructions on how to vote your "street name" shares, your broker or nominee will not be permitted to vote them on non-routine matters (a broker "non-vote") such as Proposals 1 and 2. Shares subject to a broker "non-vote" will not be considered entitled to vote with respect to Proposals 1 and 2, and will have no effect on the outcome of Proposals 1 and 2. Please note that brokers may not vote your shares on the election of directors in the absence of your specific instructions as to how to vote. We encourage you to provide instructions to your broker regarding the voting of your shares.

**Other Business.** We do not intend to bring any business before the meeting other than that set forth in the Notice of the Annual Meeting and described in this proxy statement. However, if any other business should properly come before the meeting, the persons named in the proxy card intend to vote in accordance with their best judgment on such business and on any matters dealing with the conduct of the meeting pursuant to the discretionary authority granted in the proxy.

**Costs.** We pay for the preparation and mailing of the Notice of the Annual Meeting and proxy statement. We have also made arrangements with brokerage firms and other custodians, nominees, and fiduciaries for forwarding proxy-soliciting materials to the beneficial owners of the Kellogg common stock at our expense. In addition, we have retained D.F. King & Co., Inc. to aid in the solicitation of proxies by mail, telephone, facsimile, e-mail and personal solicitation. For these services, we will pay D.F. King & Co., Inc. a fee of \$15,500, plus reasonable expenses.

**Directions to Annual Meeting.** To obtain directions to attend the Annual Meeting and vote in person, please contact Investor Relations at (269) 961-2800 or at [investor.relations@kellogg.com](mailto:investor.relations@kellogg.com).

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**SECURITY OWNERSHIP**


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Five Percent Holders. The following table shows each person who, based upon their most recent filings or correspondence with the SEC, beneficially owns more than 5% of our common stock.

Beneficial Owner/Address	Shares Beneficially Owned		Percent of Class on December 31, 2017
W.K. Kellogg Foundation Trust(1) c/o Northern Trust Company 50 South LaSalle Street Chicago, IL 60603	71,208,418	(2)	20.6%
KeyCorp 127 Public Square Cleveland, OH 44114-1306	25,804,214	(3)	7.5%
Gordon Gund 14 Nassau Street Princeton, NJ 08542-4523	25,706,686	(4)	7.4%
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	24,688,888	(5)	7.1%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	22,577,557	(6)	6.5%
Capital Research Global Investors 333 South Hope Street Los Angeles, CA 90071	19,667,905	(7)	5.7%

- According to a Schedule 13G/A filed with the SEC on February 8, 2018, the W.K. Kellogg Foundation Trust (the “Kellogg Trust”) shares voting and investment power with the W.K. Kellogg Foundation (the “Kellogg Foundation”) and the trustees of the Kellogg Trust with respect to 67,606,838 shares of Kellogg Company, or 19.6% of our outstanding shares on December 31, 2017. As of that date, the trustees of the Kellogg Trust were John Bryant, Roderick D. Gillum, La June Montgomery Tabron and Northern Trust Company. The Kellogg Foundation, a Michigan charitable corporation, is the sole beneficiary of the Kellogg Trust. Under the agreement governing the
- (1) Kellogg Trust (the “Agreement”), at least one trustee of the Kellogg Trust must be a member of the Kellogg Foundation’s Board, and one member of our Board must be a trustee of the Kellogg Trust. The Agreement provides if a majority of the trustees of the Kellogg Trust (which majority must include the corporate trustee) cannot agree on how to vote the Kellogg stock, the Kellogg Foundation has the power to direct the voting of such stock. With certain limitations, the Agreement also provides that the Kellogg Foundation has the power to approve successor trustees, and to remove any trustee of the Kellogg Trust. The shares of Kellogg Company owned directly by Mr. Bryant and Ms. Montgomery Tabron are reflected in the Officer and Director Stock Ownership table below.
- According to a Schedule 13G/A filed with the SEC on February 14, 2018, Northern Trust Corporation has sole voting power for 665,489 shares, shared voting power for 70,527,952 shares (including those shares beneficially owned by the Kellogg Trust), sole investment power for 2,229,060 shares and shared investment power for 68,921,349 shares (including those shares beneficially owned by the Kellogg Trust). Northern Trust Corporation,
- (2) as parent holding company for The Northern Trust Company, as trustee of the Kellogg Trust, shares voting and investment power with the other three trustees with respect to the 67,606,838 shares owned by the Kellogg Trust, which shares are reflected in Northern Trust Corporation’s totals above. The remaining shares not owned by the Kellogg Trust that are disclosed in the table above represent shares beneficially owned by Northern Trust Corporation and The Northern Trust Company unrelated to the Kellogg Trust.

(3) According to a Schedule 13G/A filed with the SEC on January 24, 2018, KeyCorp, as trustee for certain Gund family trusts, including the trusts discussed under (4) below, as well as other trusts, has sole voting power for

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49,756 shares, shared voting power for 6,771 shares, sole investment power for 25,776,816 shares and shared investment power for 25,298 shares.

According to a Schedule 13G/A filed with the SEC on February 8, 2018, Gordon Gund has sole voting power for 25,559,327 shares, shared voting power for 147,359 shares, sole investment power for 21,889 shares and shared (4) investment power for 147,359 shares. Of the shares over which Gordon Gund has sole voting power, 25,537,438 are held by various trusts for the benefit of certain members of the Gund family, as to which shares Gordon Gund disclaims beneficial ownership.

(5) According to a Schedule 13G/A filed with the SEC on February 8, 2018, BlackRock, Inc. has sole voting power for 21,672,242 shares and sole investment power for 24,688,888 shares.

(6) According to a Schedule 13G/A filed with the SEC on February 9, 2018, The Vanguard Group has sole voting power for 361,764 shares, shared voting power for 88,915 shares, sole investment power for 22,139,173 shares and shared investment power for 438,384 shares.

(7) According to a Schedule 13G filed with the SEC on February 14, 2018, Capital Research Global Investors has sole voting power and sole investment power for 19,667,905 shares.

Officer and Director Stock Ownership. The following table shows the number of shares of Kellogg common stock beneficially owned as of January 15, 2018, by each Director, each executive officer named in the Summary Compensation Table and all Directors and executive officers as a group.

Name(12)	Shares(1)	Options(2)	Deferred Stock Units(3)	Total Beneficial Ownership(4)	Percentage
<b>Non-NEO Directors</b>					
Stephanie Burns	9,868	0	3,227	13,095	*
Carter Cast	0	0	0	0	*
John Dillon (5)	81,018	0	0	81,018	*
Richard Dreiling	3,998	0	2,387	6,385	*
Zachary Gund (6)	1,639,682	0	5,167	1,644,849	*
Jim Jenness	31,369	0	12,481	43,850	*
Donald Knauss	29,977		0	29,977	*
Mary Laschinger	13,752	0	8,616	22,368	*
Cynthia Milligan	13,143	0	0	13,143	*
La June Montgomery Tabron (7)	9,868	0	0	9,868	*
Carolyn Tastad	5,305	0	0	5,305	*
Noel Wallace	5,720	0	0	5,720	*
<b>Named Executive Officers</b>					
Steve Cahillane (8)	15,930	0	129	16,059	*
Paul Norman	75,991	315,433	0	391,424	*
Fareed Khan (9)	0	34,653	0	34,653	*
Chris Hood	5,183	161,532	0	166,715	*
Gary Pilnick	56,222	291,499	0	347,721	*
John Bryant (7)	115,804	1,108,331	13,881	1,238,016	*
Ron Dissinger (10)	13,529	262,726	0	276,255	*
All Directors and executive officers as a group (25) persons)(11)	2,199,104	2,568,904	45,888	4,813,896	1.4%

\*Less than 1%.



- Represents the number of shares beneficially owned, excluding shares which may be acquired through exercise of stock options and units held under our deferred compensation plans. Includes the following number of shares held in Kellogg's Grantor Trust for Directors and Executives related to the annual grants of deferred shares for
- (1) Non-Employee Directors, which shares are subject to restrictions on voting and investment: Dr. Burns, 9,868 shares; Mr. Dillon, 49,457 shares; Mr. Dreiling, 3,971, Mr. Zachary Gund, 7,826 shares; Mr. Jenness, 19,787 shares; Mr. Knauss, 29,892 shares; Ms. Laschinger, 13,752 shares; Ms. Milligan, 12,684 shares; Ms. Montgomery Tabron, 9,868 shares; Ms. Tastad 5,305 shares; Mr. Wallace 5,720 shares; and all Directors as a group, 168,129 shares.
  - (2) Represents options that were exercisable on January 15, 2018 and options that become exercisable within 60 days of January 15, 2018.  
Represents the number of common stock units held under our deferred compensation plans as of January 15, 2018.
  - (3) For additional information, refer to "2017 Director Compensation and Benefits — Elective Deferral Program" and "Compensation Discussion and Analysis — Compensation Policies — Deductibility of Compensation and Other Related Issues" for a description of these plans.
  - (4) None of the shares listed have been pledged as collateral.
  - (5) Includes 250 shares held for the benefit of a son, over which shares Mr. Dillon disclaims beneficial ownership. Includes: (i) 3,657 shares held by a trust for the benefit of Mr. Zachary Gund and certain members of his family, of which Mr. Zachary Gund is one of several trustees; (ii) 9,200 shares held in a trust for the benefit of certain members of Mr. Zachary Gund's family, of which a family member of Mr. Zachary Gund's is the trustee; and (iii)
  - (6) 1,619,000 shares held in family partnerships, the partners of which include a trust for the benefit of Mr. Zachary Gund and he serves as a manager of these partnerships. As a result of these relationships, Mr. Zachary Gund may have voting and dispositive power over all such shares. Mr. Zachary Gund disclaims beneficial ownership of these shares except to the extent of his pecuniary interest.  
Does not include shares owned by the Kellogg Trust, as to which Mr. Bryant and Ms. Montgomery Tabron, as
  - (7) trustees of the Kellogg Trust as of the date of this table, share voting and investment power, or shares as to which the Kellogg Trust or the Kellogg Foundation have a current beneficial interest.
  - (8) Mr. Cahillane was appointed as our CEO effective October 2, 2017.
  - (9) Mr. Khan was appointed as our CFO effective February 17, 2017.
  - (10) Mr. Dissinger retired as CFO on February 17, 2017 and remained at the Company in 2017 to ensure an orderly transition.  
Includes 250 shares owned by or held for the benefit of children, over which the applicable Director, or executive officer disclaims beneficial ownership; 3,657 shares held by a trust for the benefit of the applicable Director and certain family members, of which the applicable Director disclaims beneficial ownership except to the extent of the applicable Director's pecuniary interest; 9,200 shares held in a trust for the benefit of certain family members
  - (11) of the applicable Director, of which the applicable Director disclaims beneficial ownership except to the extent of the applicable Director's pecuniary interest; 1,619,000 shares held in family partnerships, of which the applicable Director disclaims beneficial ownership except to the extent of the applicable Director's pecuniary interest; and 8,335 shares held in our Savings & Investment Plans.
  - (12) Mr. Rebolledo retired from the Board during 2017.
- Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934 requires our Directors, executive officers, and greater-than-10% Shareowners to file reports with the SEC. SEC regulations require us to identify anyone who filed a required report late during the most recent fiscal year. Based on our review of these reports and written certifications provided to us, we believe that the filing requirements for all of these reporting persons were complied with, except one sale transaction in September 2017 that was inadvertently reported late by Kellogg. The sale relating to Mr. Jenness was reported on a Form 5 filed in February 2018.





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## CORPORATE GOVERNANCE

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Board-Adopted Corporate Governance Guidelines. We operate under corporate governance principles and practices (the "Corporate Governance Guidelines") that are designed to maximize long-term Shareowner value, align the interests of the Board and management with those of our Shareowners and promote high ethical conduct among our Directors and employees. The Corporate Governance Guidelines include the following:

A majority of the Directors, and all of the members of the Audit Committee, Compensation and Talent Management Committee ("C&T Committee"), and Nominating and Governance Committee, are required to meet the independence requirements of the New York Stock Exchange and the Securities and Exchange Commission.

One of the Directors is designated a Lead Director, who chairs and may call executive session meetings of the independent, non-employee Directors, approves proposed meeting agendas and schedules, and establishes a method for Shareowners and other interested parties to communicate with the Board.

The Board reviews CEO succession planning at least once per year.

The Board and each Board committee have the power to hire independent legal, financial or other advisors as they may deem necessary, at our expense.

The Corporate Governance Guidelines provide that non-employee Directors meet in executive session at least three times annually. As a general practice, the non-employee Directors meet in executive session at each in-person Board meeting, and did so in 2017.

The Board and Board committees conduct annual performance evaluations to assess whether the Board, its committees, and the Directors are functioning effectively.

The independent members of the Board use the recommendations from the Nominating and Governance Committee and C&T Committee to conduct an annual review of the CEO's performance and determine the CEO's compensation. Non-employee Directors who change their principal responsibility or occupation from that held when they were elected shall offer his or her resignation for the Board to consider the continued appropriateness of Board membership under the circumstances.

Directors have access to Kellogg officers and employees.

Continuing education is provided to Directors consistent with our Board education policy.

No Director may be nominated for a new term if he or she would attain the age limit of seventy-two or older at the time of election, unless the Board determines that it is in the best interest of Kellogg to re-nominate the independent Director for additional terms due to his or her unique capabilities or special circumstances.

No Director shall serve as a director, officer or employee of a competitor.

No Director should serve on more than four other public company boards, in addition to Kellogg.

All Directors are expected to comply with stock ownership guidelines for Directors, under which they are generally expected to hold at least five times their annual cash retainer in stock and stock equivalents.

Board Leadership Structure; Communication with the Board. The following section describes Kellogg's Board leadership structure, the reasons why the structure is in place at this time, the roles of various positions, and related key governance practices. The mix of experienced independent and management Directors that make up our Board, along with the independent role of our Lead Director and our independent Board Committee composition, benefits Kellogg and its Shareowners.

Independence; Board Mix. Our Board has an effective mix of independent and management directors. It is composed of eleven independent Directors, Mr. Cahillane, our current CEO, Mr. Bryant, our current Chairman, and

Mr. Jenness (who was our Chairman until June 2014). One of our independent directors, Mr. Dillon, will be retiring at our 2018 Annual Meeting of Shareowners. Mr. Bryant will be retiring from the Board on March 15, 2018.

**Independence; Committee Structure.** In 2017, the Board had six standing Committees: (i) Audit, (ii) C&T, (iii) Nominating and Governance, (iv) Manufacturing, (v) Social Responsibility and Public Policy, and (vi) Executive. The Audit, C&T, and Nominating and Governance committees are composed solely of independent Directors, each with a different independent Director serving as committee chair.

**Lead Director.** The Board believes that it is beneficial to Kellogg and its Shareowners to designate one of the Directors as a Lead Director. The Lead Director serves a variety of roles, including reviewing and approving Board agendas, meeting materials and schedules to confirm the appropriate Board and committee topics are reviewed and sufficient time is allocated to each; liaising between the Chairman and CEO and non-management Directors when necessary and appropriate (that said, each Director has direct and regular access to the Chairman and CEO); presiding at the executive sessions of independent Directors and at all other meetings of the Board of Directors at which the Chairman of the Board is not present; calling an executive session of independent Directors at any time consistent with the Corporate Governance Guidelines; and coordinating succession planning for the Board, including by having the Nominating and Governance Committee and the independent Directors regularly discuss and evaluate CEO succession plans. Don Knauss, an independent Director and the Chairman of the Nominating and Governance Committee, is currently our Lead Director. Mr. Knauss is an effective Lead Director for Kellogg due to, among other things, his independence, his board leadership experience as CEO, Chairman and Executive Chairman of The Clorox Company, strong strategic and financial acumen, commitment to ethics, extensive knowledge of the retail environment and branded consumer products, and deep understanding of Kellogg and its business obtained while serving as a Kellogg Director. Mr. Knauss may be contacted at [donald.knauss@kellogg.com](mailto:donald.knauss@kellogg.com). Any communications which Shareowners or interested parties may wish to send to the Board may be directly sent to Mr. Knauss at this e-mail address.

**Chairman / CEO.** With respect to the roles of Chairman and CEO, the Corporate Governance Guidelines provide that the roles may be separated or combined, and the Board exercises its discretion in combining or separating these positions as it deems appropriate in light of prevailing circumstances. Mr. Bryant became CEO in January 2011 and for the first three years of his tenure as CEO, the roles of Chairman and CEO were separate. On July 1, 2014, the Chairman and CEO roles were combined, with the Board electing Mr. Bryant as Chairman of the Board. Upon Mr. Cahillane's appointment as CEO on October 2, 2017, and Mr. Bryant's assumption of the role of Chairman, the roles were separated. Upon Mr. Bryant's retirement from the Board on March 15, 2018, and Mr. Cahillane's succession to the role of Chairman, the roles will again be combined. The Board believes that combining the roles of Chairman and CEO following Mr. Bryant's retirement from the Board, together with the separate, independent role of our Lead Director, will be the most effective leadership structure for Kellogg for many reasons, including Mr. Cahillane's extensive knowledge and experience in a variety of areas, including strategy and strategic planning, branded consumer products and consumer dynamics, and innovation and research and development acquired as a result of his professional and other experiences, give him the insight necessary to combine the responsibilities of strategic development and execution along with management of day-to-day operations. As stated in the Corporate Governance Guidelines, the Board believes that the combination or separation of these offices should continue to be considered as part of the succession planning process.

**Self Evaluation.** Our Board conducts an annual performance evaluation to determine whether the Board, its committees, and the Directors are functioning effectively. This includes survey materials as well as individual conversations between each Director and the Lead Director. The Board evaluation occurs during the first half of each year, between February and April. In addition, focus areas identified through the evaluation are incorporated into the Board's agenda for the following year to monitor progress. Each committee also conducts its own annual self-evaluation to assess the functioning of the committee and the effectiveness of the committee members, including the committee chair.

As part of the annual Board self-evaluation, the Board evaluates whether the current leadership structure continues to be appropriate for Kellogg and its Shareowners. Our Corporate Governance Guidelines provide the flexibility for our

Board to modify our leadership structure in the future as appropriate. We believe that Kellogg, like many U.S. companies, has been well-served by this flexible leadership structure.

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Company Strategy. Strategic planning and oversight of the Company's business strategy is a key responsibility of the Board, and the Board has deep experience and expertise in the areas of strategy and strategic development. The Board believes that overseeing and monitoring strategy is a continuous process and takes a multilayered approach in exercising its responsibilities. Our entire Board discusses the strategic priorities of the Company, taking into consideration global economic, consumer and other significant trends, as well as changes in the food industry and regulatory initiatives. The Board dedicates at least one meeting each year to focus on business strategy, and key elements of our strategy, such as innovation or global expansion and strategic investments, are addressed during most Board meetings. Topics are also embedded in the work of Committees.

While the Board and its committees oversee strategy and strategic planning, management is charged with executing the business strategy. To monitor performance against the Company's strategic goals, the Board receives regular updates and actively engages in dialogue with our Company's senior leaders. The Board's discussions are enhanced with "hands-on" experiences, such as its annual visit to either an international market or a key retailer, which provide Directors an opportunity to see strategy execution first hand.

The Board's oversight and management's execution of business strategy are intended to help promote the creation of long-term shareholder value in a sustainable manner, with a focus on assessing both opportunities available to us and risks that we may encounter.

Board Oversight of Enterprise Risk. The Board utilizes our Enterprise Risk Management ("ERM") process to assist in fulfilling its oversight of our risks. Management, who is responsible for day-to-day risk management, conducts a formal risk assessment of Kellogg's business annually. The risk assessment process is global in nature and has been developed to identify and assess Kellogg's current and emerging risks, including the nature of the risk, as well as to identify steps to mitigate and manage each risk. Over a hundred of our key business leaders, functional heads and other managers are surveyed and/or interviewed in a targeted and strategic manner to develop the Company's holistic views on enterprise risks.

While risk oversight is a full Board responsibility, the responsibility for monitoring the ERM process has been delegated to the Audit Committee. As such, one of the leaders of the ERM process is the Vice President, Internal Audit, who reports to the Chair of the Audit Committee. The Audit Committee and the full Board at each of their regularly scheduled meetings receive an update on the key enterprise risks, including current status and action items. The results of the risk assessment are reviewed with the Audit Committee and the full Board. The centerpiece of the assessment is the discussion of key risks which includes the potential magnitude and likelihood of each risk. As part of the process for assessing each risk, management identifies the nature of the risk, the senior executive responsible for managing the risk, the potential impact of the risk, management's initiatives to manage the risk, the most recent Board or Committee update, and the timing of the next scheduled Board or Committee review.

The results of the risk assessment are then integrated into the Board's processes. Oversight responsibility for each risk is allocated among the full Board and its Committees, and specific Board and Committee agendas are developed accordingly. Each Committee chair works directly with Kellogg's key senior executive responsible for the matters allocated to the Committee to develop agenda topics, review materials to be discussed with the Committee, and otherwise discuss those topics relating to the particular Committee. Through this process, each key risk is reviewed at least annually, with many topics reviewed on several occasions throughout the year.

Due to the dynamic nature of risk and the business environment generally, at every Audit Committee meeting, the Company provides a status report on key enterprise risks, and regularly provides a more in depth report on select topics. In addition, adjustments are made to Board and Committee agendas throughout the year so that enterprise risks are reviewed at the relevant times. This process facilitates the Board's ability to fulfill its oversight responsibilities of Kellogg's risks in a timely and effective manner.

Majority Voting for Directors; Director Resignation Policy. Our Bylaws contain a majority voting standard for the election of Directors in an uncontested election (that is, an election where the number of nominees is equal to the number of seats open). In an uncontested election, each nominee must be elected by the vote of a majority of the votes cast. A "majority of the votes cast" means the number of votes cast "for" a director's election must exceed the number of votes cast "against" (excluding abstentions). No Director will be nominated for election or otherwise be eligible for

service on the Board unless and until such candidate has delivered an irrevocable resignation to the

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Nominating and Corporate Governance Committee that would be effective upon (i) such Director's failure to receive the required vote in an election of Directors and (ii) the Board's acceptance of the resignation.

If a Director fails to achieve the required vote in an uncontested election, the Nominating and Governance Committee would promptly consider the resignation and recommend to the Board the action to be taken on the offered resignation.

The Board would act on the Nominating and Governance Committee's recommendation no later than 90 days following the date of the Shareowners' meeting where the election occurred. The Director whose resignation is under consideration shall not participate in the recommendation of the Nominating Committee or deliberations of the Board with respect to his or her nomination. Following the Board's decision, Kellogg would promptly disclose in a current report on Form 8-K the decision whether to accept the resignation as tendered.

To the extent that a resignation is accepted, the Nominating and Governance Committee would recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

**Director Independence.** The Board has determined that all current Directors (other than Mr. Bryant, Mr. Cahillane and Mr. Jenness) are independent based on the following standards: (a) no entity (other than a charitable entity) of which such a Director is an employee in any position or any immediate family member (as defined) is an executive officer, made payments to, or received payments from, Kellogg and its subsidiaries in any of the 2017, 2016, or 2015 fiscal years in excess of the greater of (1) \$1,000,000 or (2) two percent of that entity's annual consolidated gross revenues; (b) no such Director, or any immediate family member employed as an executive officer of Kellogg or its subsidiaries, received in any twelve month period within the last three years more than \$120,000 per year in direct compensation from Kellogg or its subsidiaries, other than Director and committee fees and pension or other forms of deferred compensation for prior service not contingent in any way on continued service; (c) Kellogg did not employ such Director in any position, or any immediate family member as an executive officer, during the past three years; (d) no such Director was a current partner or employee of a firm that is Kellogg's internal or external auditor ("Auditor"), no immediate family member of such Director was a current partner of the Auditor or an employee of the Auditor who personally worked on our audit, and no Director or immediate family member of such Director was during the past three years a partner or employee of the Auditor and personally worked on our audit within that time; (e) no such Director or immediate family member served as an executive officer of another company during the past three years at the same time as a current executive officer of Kellogg served on the compensation committee of such company; and (f) no other material relationship exists between any such Director and Kellogg or our subsidiaries.

The Board also considers from time to time commercial ordinary-course transactions as it assesses independence status, including transactions relating to selling product and marketing arrangements. The Board has concluded that these transactions did not impair Director independence for a variety of reasons including that the amounts in question were considerably under the thresholds set forth in our independence standards and the relationships were not deemed material.

**Shareowner Recommendations for Director Nominees.** The Nominating and Governance Committee will consider Shareowner nominations for membership on the Board. For the 2019 Annual Meeting of Shareowners, nominations may be submitted to the Office of the Secretary, Kellogg Company, One Kellogg Square, Battle Creek, Michigan 49017, which will forward them to the Chairman of the Nominating and Governance Committee. Recommendations must be in writing and we must receive the recommendation not earlier than November 7, 2018 and not later than December 7, 2018. Recommendations must also include certain other requirements specified in our bylaws.

When filling a vacancy on the Board, the Nominating and Governance Committee identifies the desired skills and experience of a new Director and nominates individuals who it believes can strengthen the Board's capabilities and further diversify the collective experience represented by the then-current Directors. The Nominating and Governance Committee may, as it has done in the past, engage third parties to assist in the search and provide recommendations. Also, Directors are generally asked to recommend candidates for the position. The candidates would be evaluated based on the process outlined in the Corporate Governance Guidelines and the Nominating and Governance Committee charter, and the same process would be used for all candidates, including candidates recommended by Shareowners.



Shareowner Nomination of Director Candidates for Inclusion in Proxy Statement for Annual Meeting. Our bylaws permit a Shareowner, or a group of up to 20 Shareowners, owning 3% or more of the Company's outstanding common stock continuously for at least three years to nominate and include in our proxy materials director candidates constituting up to the greater of two individuals or 20% of the Board, provided that the Shareowner(s) and the nominee(s) satisfy the requirements specified in the bylaws. For the 2019 Annual Meeting of Shareowners, nominations may be submitted to the Office of the Secretary, Kellogg Company, One Kellogg Square, Battle Creek, Michigan 49017-3534. Any such nomination must be received by us not earlier than October 8, 2018 and not later than November 7, 2018. Any such nomination must meet the other requirements set forth in our bylaws.

Attendance at Annual Meetings. All incumbent Directors are expected to attend the Annual Meeting of Shareowners. All of our then incumbent Directors attended the 2017 Annual Meeting of Shareowners.

Code of Conduct/Ethics. We have adopted the Code of Conduct for Kellogg Company Directors and Global Code of Ethics for Kellogg Company employees (including the CEO, CFO, other named executive officers, and corporate controller). Any amendments to or waivers of the Global Code of Ethics applicable to our CEO, CFO or corporate controller will be posted on [www.kelloggcompany.com](http://www.kelloggcompany.com). There were no amendments to or waivers of the Global Code of Ethics in 2017.

Availability of Corporate Governance Documents. Copies of the Corporate Governance Guidelines, the Charters of the Audit, C&T, and Nominating and Governance Committees of the Board, the Code of Conduct for Kellogg Company Directors, and Global Code of Ethics for Kellogg Company employees can be found on the Kellogg Company website at [www.kelloggcompany.com](http://www.kelloggcompany.com) under "Investor Relations," then "Corporate Governance." Shareowners may also request a free copy of these documents from: Kellogg Company Consumer Affairs, P.O. Box CAMB, Battle Creek, Michigan 49016 (phone: (800) 962-1413), the Investor Relations Department at that same address (phone: (269) 961-2800) or [investor.relations@kellogg.com](mailto:investor.relations@kellogg.com).



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**BOARD AND COMMITTEE MEMBERSHIP**


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The Board routinely reviews Board composition to ensure that it has the right balance of skills to fulfill its oversight obligations for Shareowners. As part of that process, the Nominating and Governance Committee and the Board consider current tenure and potential retirements.

The Board had the following standing committees in 2017: (i) Audit; (ii) C&T; (iii) Nominating and Governance; (iv) Manufacturing; (v) Social Responsibility and Public Policy; and (vi) Executive.

The Board held ten meetings in 2017. All of the incumbent Directors attended at least 75% of the total number of meetings of the Board and of all Board committees of which the Directors were members during 2017 that were held while such Directors were on the Board.

The table below provides 2017 membership and meeting information for each Board committee as of December 30, 2017 (last day of fiscal year):

Name(4)	Audit	Compensation and Talent Management	Nominating and Governance	Manufacturing	Social Responsibility and Public Policy	Executive
John Bryant(1)						Chair
Stephanie A. Burns	Chair		ü			ü
Steve A. Cahillane (2)						ü
Carter Cast(3)	ü				ü	
John Dillon		Chair	ü	ü		ü
Richard Dreiling	ü				ü	
Zachary Gund		ü		Chair		ü
Jim Jenness				ü	ü	
Don Knauss	ü	ü	Chair			ü
Mary Laschinger		ü	ü			
Cynthia Milligan La June				ü	Chair	ü
Montgomery Tabron				ü	ü	
Carolyn M. Tastad		ü		ü		
Noel R. Wallace	ü				ü	
2017 Meetings Held	5	6	3	3	2	

(1) Mr. Bryant is not a formal member of any committee (other than Executive) and attends meetings for each committee.

(2) Mr. Cahillane is not a formal member of any committee (other than Executive) and attends meetings for each committee. Mr. Cahillane was elected as Director, and his initial term commenced, on October 2, 2017.

(3) Mr. Cast was elected as Director, and his initial term commenced, on June 15, 2017.

Audit Committee. Pursuant to a written charter, the Audit Committee, among other things, assists the Board in monitoring the integrity of our financial statements, the independence and performance of our independent registered public accounting firm, the performance of our internal audit function, our ERM process, our compliance with legal and regulatory requirements, and other related matters. The Audit Committee, or its Chair, also pre-approves all audit, internal control-related and permitted non-audit engagements and services by the independent registered public accounting firm and their affiliates. It also discusses and/or reviews specified matters with, and receives specified information or assurances from, Kellogg management and the independent registered public accounting firm. The

Committee also has the sole authority to appoint, subject to Shareowner ratification, or replace the independent registered public accounting firm, which directly reports to the Audit Committee, and is directly responsible for the compensation and oversight of the independent registered public accounting firm. Ms. Burns, the Chair of the Audit Committee, and Mr. Knauss have each been determined by the Board to be an “audit committee financial expert,” as

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that term is defined in Item 407(d)(5) of SEC Regulation S-K. The Board has determined that each member of the Audit Committee meets the definition of independence under our Corporate Governance Guidelines and the requirements of the New York Stock Exchange.

**Compensation and Talent Management Committee.** Pursuant to a written charter, the C&T Committee, among other things: (a) reviews and approves the compensation philosophy and principles for senior executives; (b) reviews and makes recommendations for the compensation of senior management personnel and monitors overall compensation for senior executives, including reviewing risks arising from Kellogg's compensation policies and practices; (c) reviews and recommends the compensation of the CEO; (d) has sole authority to retain or terminate any compensation consultant or other advisor used to evaluate senior executive compensation; (e) oversees and administers employee benefit plans to the extent provided in those plans; (f) reviews with management employment and employment-related matters and employment programs; (g) reviews trends in management compensation; (h) reviews talent development; and (i) reviews the Company's diversity and inclusion programs and policies. The Committee may form and delegate authority to subcommittees or the Chair when appropriate.

The C&T Committee, or its Chair, also approves all engagements and services to be performed by any consultants or advisors to the Committee. To assist the Committee in discharging its responsibilities, the Committee has retained an independent compensation consultant — Frederic W. Cook ("FW Cook"). The consultant reports directly to the C&T Committee. Prior to retaining any such consultant, or other advisor, the Committee must 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. Other than the work it performs for the C&T Committee and the Board, FW Cook does not provide any consulting services to Kellogg or its executive officers. For additional information about the independence of the Committee's consultant, refer to "Compensation Discussion and Analysis — Compensation Approach — Independence."

The Board has determined that each member of the C&T Committee meets the definition of independence under our Corporate Governance Guidelines and the requirements of the New York Stock Exchange and further qualifies as a non-employee Director for purposes of Rule 16b-3 under the Securities Exchange Act of 1934. The members of the Committee are not current or former employees of Kellogg, are not eligible to participate in any of our executive compensation programs, do not receive compensation that would impair their ability to make independent judgments about executive compensation, and are not "affiliates" of the Company, as defined under Rule 10c-1 under the Securities Exchange Act of 1934. Additionally, the composition of the Committee is designed to meet the tax deductibility criteria included in Section 162(m) of the Internal Revenue Code.

The C&T Committee is charged with overseeing the review and assessment of risks arising from Kellogg's compensation policies and practices. This includes the Committee's annual review of our compensation program for design features considered to encourage excessive risk taking and Kellogg's approach to those features. As part of its review, the Committee also assesses perspectives from independent experts and regulators. Kellogg uses a number of approaches to mitigate excessive risk taking, including significant weighting towards long-term incentive compensation, emphasizing qualitative goals in addition to a variety of quantitative metrics, and equity ownership guidelines. As a result of this review, together with input from the independent compensation consultant, the C&T Committee determined that the risks arising from Kellogg's compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on Kellogg.

For additional information about the C&T Committee's processes for establishing and overseeing executive compensation, refer to "Compensation Discussion and Analysis — Compensation Approach."

**Manufacturing Committee.** Pursuant to a written charter, the Manufacturing Committee, among other things, assists the Board in discharging its oversight responsibilities, with the primary focus on Kellogg's food quality and safety, and people and labor strategies. As it deems appropriate, the Committee reviews policies, programs and practices, and provides strategic advice and counsel concerning the matters set forth above including, but not limited to, food safety, employee health and safety, and people and labor strategies.

**Nominating and Governance Committee.** Pursuant to a written charter, the Nominating and Governance Committee, among other things, assists the Board by (a) identifying and reviewing the qualifications of candidates for Director

and in determining the criteria for new Directors; (b) recommending nominees for Director to the Board;

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(c) recommending committee assignments; (d) reviewing annually the Board's compliance with the Corporate Governance Guidelines; (e) reviewing annually the Corporate Governance Guidelines and recommends changes to the Board; (f) monitoring the performance of Directors and conducting performance evaluations of each Director before the Director's re-nomination to the Board; (g) administering the annual evaluation of the Board; (h) providing annually an evaluation of CEO performance used by the independent members of the Board in their annual review of CEO performance; (i) considering and evaluating potential waivers of the Code of Conduct for Directors and Global Code of Ethics for senior officers (for which there were none in 2017); (j) making a report to the Board on CEO succession planning at least annually; (k) providing an annual review of the independence of Directors to the Board; (l) reviewing and recommending to the Board responses to Shareowner proposals; and (m) reviewing Director compensation. The Chair of the Nominating and Governance Committee, as Lead Director, also presides at executive sessions of independent Directors of the Board. Each of the Nominating and Governance Committee members meets the independence requirements of the New York Stock Exchange.

Social Responsibility and Public Policy Committee. Pursuant to a written charter, the Social Responsibility and Public Policy Committee, among other things, assists the Board in discharging its oversight responsibilities with respect to certain social and public policy issues. The Committee reviews the Company's policies, programs and practices concerning public policy, government relations, regulatory matters, philanthropic activities/charitable contributions, sustainability and related topics. The Committee is particularly focused on the intersection of philanthropy, public policy, and sustainability and the Company's goals.

Executive Committee. Pursuant to a written charter, the Executive Committee is generally empowered to act on behalf of the Board between meetings of the Board, with some exceptions.

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**PROPOSAL 1 — ELECTION OF DIRECTORS**

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For more than 110 years, consumers have counted on Kellogg for great-tasting, high-quality and nutritious foods. Kellogg is the world's leading producer of cereal, second largest producer of cookies and crackers, and a leading producer of savory snacks and frozen foods. Additional product offerings include toaster pastries, cereal bars, fruit-flavored snacks and veggie foods. Kellogg products are manufactured and marketed globally. As such, we believe that in order for our Board to effectively guide Kellogg to long-term sustainable, dependable performance, it should be composed of individuals with sophistication and experience in the many disciplines that impact our business. In order to best serve Kellogg and our Shareowners, we seek to have a Board, as a whole, that is competent in key corporate disciplines, including accounting and financial acumen, business judgment, crisis management, governance, leadership, people management, risk management, social responsibility and reputational issues, strategy and strategic planning. In addition, the Board desires to have specific knowledge related to Kellogg's industry, such as expertise in branded consumer products and consumer dynamics, health and nutrition, innovation / research and development, international markets, manufacturing and supply chain, marketing, regulatory and government affairs, the retail environment, and sales and distribution.

The Nominating and Governance Committee believes that all Directors must, at a minimum, meet the criteria set forth in the Board's Code of Conduct and the Corporate Governance Guidelines, which specify, among other things, that the Nominating and Governance Committee will consider criteria such as independence, diversity, age, skills and experience in the context of the needs of the Board. In addressing issues of diversity in particular, the Nominating and Governance Committee considers a nominee's differences in viewpoint, professional experience, background, education, skill, age, race, gender and national origin. The Nominating and Governance Committee believes that diversity of backgrounds and viewpoints is a key attribute for a director nominee. The Committee seeks a diverse Board that is representative of our global business, Shareowners, consumers, customers, and employees. While the Nominating and Governance Committee carefully considers diversity when determining Board composition, it has not established a formal policy regarding diversity. The Nominating and Governance Committee also will consider a combination of factors for each director, including whether the nominee (1) has the ability to represent all Shareowners without a conflict of interest; (2) has the ability to work in and promote a productive environment; (3) has sufficient time and willingness to fulfill the substantial duties and responsibilities of a Director; (4) has demonstrated the high level of character and integrity that we expect; (5) possesses the broad professional and leadership experience and skills necessary to effectively respond to the complex issues encountered by a multi-national, publicly-traded company; and (6) has the ability to apply sound and independent business judgment.

The Nominating and Governance Committee has determined that all of our Directors meet the criteria and qualifications set forth in the Board's Code of Conduct, the Corporate Governance Guidelines and the criteria set forth above for director nominees. Moreover, each Director possesses the following critical personal qualities and attributes that we believe are essential for the proper functioning of the Board to allow it to fulfill its duties for our Shareowners: accountability, ethical leadership, governance, integrity, risk management, and sound business judgment. In addition, our Directors have the mature confidence to assess and challenge the way things are done and recommend alternative solutions, a keen awareness of the business and social realities of the global environment in which Kellogg operates, the independence and high performance standards necessary to fulfill the Board's oversight function, and the humility, professional maturity, and style to interface openly and constructively with other Directors. Finally, the Director biographies below include a non-exclusive list of other key experiences and qualifications that further qualify the individual to serve on the Board. These collective qualities, skills, experiences and attributes are essential to our Board's ability to exercise its oversight function for Kellogg and its Shareowners, and guide the long-term sustainable, dependable performance of Kellogg.

Our amended restated certificate of incorporation and bylaws provide that the Board shall be composed of not less than seven and no more than fifteen Directors divided into three classes as nearly equal in number as possible, and that

each Director shall be elected for a term of three years with the term of one class expiring each year. The Board prefers approximately twelve members, but expands the Board in order to add outstanding candidates or to prepare for an orderly transition with respect to departures of Directors.

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Four Directors have been nominated for re-election at the 2018 Annual Meeting to serve for a term ending at the 2021 Annual Meeting of Shareowners, and the proxies cannot be voted for a greater number of persons than the number of nominees named. There are currently fourteen members of the Board. Mr. Bryant will retire from the Board on March 15, 2018, at which time the size of the Board will be reduced to thirteen members. In accordance with our retirement policy for directors, Mr. Dillon is not standing for re-election and will retire from the Board in connection with the 2018 Annual Meeting. At such time, the size of the Board will be reduced to twelve members.

The Board recommends that the Shareowners vote “FOR” the following nominees: Carter Cast, Zachary Gund, Jim Jenness and Don Knauss. Each nominee was recommended for re-election by the Nominating and Governance Committee for consideration by the Board and proposal to the Shareowners. If, before the Annual Meeting, any nominee becomes unable to serve, or chooses not to serve, the Board may nominate a substitute. If that happens, the persons named as proxies on the proxy card will vote for the substitute. Alternatively, the Board may either let the vacancy stay unfilled until an appropriate candidate is identified or reduce the size of the Board to eliminate the unfilled seat.

We have a balanced Board which individually possesses the leadership and character commensurate with the role of director, and which collectively possesses the mix of skills necessary to provide appropriate oversight of a company the size and complexity of Kellogg. In addition, the Board possesses a strong mix of experienced and newer directors. The following skills have been identified by the Board as core competencies:

Accounting and Financial Acumen	Branded Consumer Products / Consumer Dynamics	Crisis Management	Health and Nutrition	Innovation / Research and Development
International and Emerging Markets	People Management	Manufacturing and Supply Chain	Marketing / Brand Building	Regulatory / Government
Retail Environment	Risk Management	Sales and Distribution	Social Responsibility	Strategy / Strategic Planning

Our Directors possess many of these competencies. For purposes of this Proxy Statement, the Director biographies highlight five of these competencies that each Director possesses.

Nominees for Election for a Three-Year Term Expiring at the 2021 Annual Meeting.

**CARTER CAST.** Mr. Cast, age 54, has served as a Kellogg Director since June 2017. Mr. Cast is currently a venture partner at Pritzker Group Venture Capital and is on faculty at Northwestern University’s Kellogg School of Management, where he is a clinical professor teaching entrepreneurship, innovation and marketing. Mr. Cast served as CEO of the online retail company, Hayneedle, Inc., from September 2007 until June 2011. Mr. Cast brings vast experience in the digital arena, previously helping to build and then lead Walmart.com, as its CEO. Prior to 2000, he led the launch of the Blue Nile brand, the leading online jewelry retailer and also served as the Chief Marketing Officer at eBay. He also has previously served as the Vice President of Product Marketing and Marketing Communications at Electronic Arts. Mr. Cast has significant leadership experience as well at other Fortune 500 companies, including PepsiCo where he was a marketing executive, and Frito-Lay where he managed its \$1.5 billion tortilla chip category.

The Nominating and Governance Committee reviewed Mr. Cast's professional and other experiences, including his particular knowledge and experience in accounting and financial acumen, risk management, branded consumer products and consumer dynamics, social responsibility, marketing, and the retail environment (including the e-commerce channel / business model). The Nominating and Governance Committee considered Mr. Cast a candidate for the Board as Mr. Cast's knowledge and experience would strengthen the Board's collective knowledge, capabilities and experience.





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ZACHARY GUND. Mr. Zachary Gund, age 47, has served as a Kellogg Director since December 2014. He is currently a Managing Partner of Coppermine Capital, LLC, where he has worked since 2001. Mr. Gund makes investment decisions and oversees several portfolio companies across many different sectors. His work has spanned both the manufacturing and service industries, including food manufacturing.

As a result of these professional and other experiences, Mr. Gund possesses particular knowledge and experience in a variety of areas, including accounting and financial acumen, crisis management, sales and distribution, the retail environment, and manufacturing and supply chain that strengthens the Board's collective knowledge, capabilities and experience. He also has a unique sense of shareowner perspectives. Mr. Zachary Gund is the son of Mr. Gordon Gund.

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JIM JENNESS. Mr. Jenness, age 71, has served as a Kellogg Director since July 2000. He was our Executive Chairman from February 2005 until June 2014, and served as our CEO from February 2005 through December 30, 2006. He also served as CEO of Integrated Merchandising Systems, LLC, a leader in outsource management of retail promotion and branded merchandising, from 1997 to December 2004. Before joining Integrated Merchandising Systems, Mr. Jenness served as Vice Chairman and COO of the Leo Burnett Company from 1996 to 1997 and, before that, as Global Vice Chairman North America and Latin America from 1993 to 1996. He is a director of Kimberly-Clark Corporation and Prestige Brands Holdings, Inc. Mr. Jenness also served as a trustee of the W.K. Kellogg Foundation Trust from 2005 to 2015.

As a result of these professional and other experiences, Mr. Jenness possesses particular knowledge and experience in a variety of areas, including social responsibility, marketing, innovation / research and development, manufacturing and supply chain, health and nutrition, and has public company board experience that strengthens the Board's collective knowledge, capabilities and experience. As a former CEO, he has unique insights into the operations of the Company's global business.

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DON KNAUSS. Mr. Knauss, age 67, has served as a Kellogg Director since December 2007. Mr. Knauss retired as Executive Chairman of the Board of The Clorox Company in July 2015. He had served as Chairman and CEO of The Clorox Company from 2006 to 2014. He was Executive Vice President of The Coca-Cola Company and President and COO for Coca-Cola North America from February 2004 until September 2006. Previously, he was President of the Retail Division of Coca-Cola North America from January 2003 through February 2004 and President and CEO of The Minute Maid Company, a division of The Coca-Cola Company, from January 2000 until January 2003 and President of Coca-Cola Southern Africa from March 1998

until January 2000. Prior to that, he held various positions in marketing and sales with PepsiCo, Inc. and Procter & Gamble, and served as an officer in the United States Marine Corps. In addition, Mr. Knauss is a director of McKesson Corporation and Target Corporation, and within the past five years, he has also served as a director of URS Corporation.

As a result of these professional and other experiences, Mr. Knauss has been determined to be an "Audit Committee Financial Expert" under the SEC's rules and regulations, possesses particular knowledge and experience in a variety of areas, including accounting and financial acumen, risk management, crisis management, people management, the retail environment, and has public company board experience (including specific experience in auditing, manufacturing, and marketing oversight) that strengthens the Board's collective knowledge, capabilities and experience.

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Continuing Directors to Serve Until the 2020 Annual Meeting.

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STEPHANIE BURNS, Ph.D. Dr. Burns, age 63, has served as a Kellogg Director since February 2014. Dr. Burns served as CEO of Dow Corning Corporation from 2004 to 2011 and its Chairman from 2006 through 2011. She began her career with Dow Corning in 1983 and later became Dow Corning's first director of women's health. Dr. Burns was elected to the Dow Corning Board of Directors in 2001 and elected as President in 2003. Dr. Burns is a director of HP Inc. and Corning Incorporated, and within the past five years, Dr. Burns has also served as a director of GlaxoSmithKline plc.

As a result of these professional and other experiences, Dr. Burns has been determined to be an "Audit Committee Financial Expert" under the SEC's rules and regulations, possesses particular knowledge and experience in a variety of areas, including accounting and financial acumen, risk management, crisis management, innovation / research and development, manufacturing and supply chain, regulatory and government affairs, and public company board experience (including specific experience in compensation, corporate relations, manufacturing, and social responsibility oversight) that strengthens the Board's collective knowledge, capabilities and experience.

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STEVE CAHILLANE. Mr. Cahillane, 52, became President and CEO on October 2, 2017, and has served as a Kellogg Director since October 2017. Prior to joining Kellogg, Mr. Cahillane served as Chief Executive Officer and President, and as member of the board of directors, of Alphabet Holding Company, Inc., and its wholly-owned operating subsidiary, The Nature's Bounty Co., since September 8, 2014. Prior to that, Mr. Cahillane served as Executive Vice President of The Coca-Cola Company from February 2013 to February 2014 and President of Coca-Cola Americas, the global beverage maker's largest business, with \$25 billion in annual sales at that time, from January 2013 to February 2014. Mr. Cahillane served as President of various Coca-Cola operating groups from 2007 to 2012.

As a result of these professional and other experiences, Mr. Cahillane possesses particular knowledge and experience in a variety of areas, including strategy and strategic planning, marketing / brand building, sales and distribution, innovation / research and development, branded consumer products and consumer dynamics, health and nutrition, and international and emerging markets that strengthens the Board's collective knowledge, capabilities and experience.

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RICHARD DREILING. Mr. Dreiling, age 64, has served as a member of Kellogg Company's Board of Directors since June 2016. Mr. Dreiling previously served as Chief Executive Officer of Dollar General Corporation, until his retirement in June 2015. He was also Chairman of Dollar General from December 2008 to January 2016, and served as Senior Advisor from June 2015 to January 2016. Mr. Dreiling has more than 40 years of diverse retail industry experience in consumer discount, drug store and grocery sectors. He spent 34 years with Safeway, Inc. in roles spanning marketing, manufacturing, distribution, merchandising and retail operations. Mr. Dreiling serves on the boards of Lowe's Companies Inc., Aramark and PulteGroup Inc.

As a result of these and other experiences, Mr. Dreiling possesses particular knowledge and experience in a variety of areas, including accounting and financial acumen, risk management, strategy and strategic planning, marketing, the retail environment, and public company board experience' that strengthens the Board's collective knowledge, capabilities and experience.

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LA JUNE MONTGOMERY TABRON. Ms. Montgomery Tabron, age 55, has served as a Kellogg Director since February 2014. Ms. Montgomery Tabron was elected President and CEO of the W.K. Kellogg Foundation effective January 2014. She is also a member of the Board of Trustees of the W.K. Kellogg Foundation since January 2014. During her 29 years with the W.K. Kellogg Foundation, she held various positions in finance, including Executive Vice President of Operations and Treasurer from March 2012 to December 2013, COO and Treasurer from January 2010 to February 2012, Vice President of Finance and Treasurer from September 2000 to December 2009, Assistant Vice President of Finance and Assistant Treasurer from September 1997 to September 2000, and Controller from May 1987 to September 1997. Ms. Montgomery Tabron has also been a trustee of the W.K. Kellogg Foundation Trust since 2014.

As a result of these professional and other experiences, Ms. Montgomery Tabron possesses particular knowledge and experience in a variety of areas, including people management, strategy and strategic planning, social responsibility, health and nutrition, regulatory and government, and private company board experience (including specific experience in social responsibility oversight) that strengthens the Board's collective knowledge, capabilities and experience. She also has a unique sense of shareowner perspectives.

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Continuing Directors to Serve Until the 2019 Annual Meeting.

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MARY LASCHINGER. Ms. Laschinger, age 57, has served as a Kellogg Director since October 2012. She is Chairman of the Board and CEO of Veritiv Corporation. Previously, Ms. Laschinger served as Senior Vice President of International Paper Company from 2007 to June 2014, and as President of the xpedx distribution business from January 2010 to June 2014. She also served as President of the Europe, Middle East, Africa and Russia business at International Paper, Vice President and General Manager of International Paper's Wood Products and Pulp businesses, as well as in other senior management roles in sales, marketing, manufacturing and supply chain at International Paper.

As a result of these professional and other experiences, Ms. Laschinger possesses particular knowledge and experience in a variety of areas, including people management, marketing, sales and distribution, branded consumer products and consumer dynamics, international and emerging markets, and has public company board experience that strengthens the Board's collective knowledge, capabilities and experience.

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CYNTHIA HARDIN MILLIGAN. Ms. Milligan, age 71, has served as a Kellogg Director since February 2013. She is Dean Emeritus of the College of Business Administration at the University of Nebraska-Lincoln, having served as Dean from June 1998 until May 2009. Prior to her tenure with the University of Nebraska at Lincoln, Ms. Milligan was President and Chief Executive Officer of Cynthia Milligan & Associates, a consulting group to financial institutions, from 1991 to 1998. Prior to that, she served as Director of Banking and Finance for the State of Nebraska from 1987 to 1991. She was also a Senior Partner at the law firm of Rembolt, Ludtke, Parker, Milligan & Berger, and an Adjunct Professor at Georgetown University Law Center and the University of Nebraska College of Law, specializing in taxation and banking law. In addition, she previously served as a Director of the Kansas City Federal Reserve Omaha Branch. She has also served as a member of the board of trustees of W.K. Kellogg Foundation since January 1999, and within the past five years, she has also served as a director of Wells Fargo & Company, Raven Industries, Inc., and 20 Calvert sponsored mutual funds.

As a result of these professional and other experiences, Ms. Milligan possesses particular knowledge and experience in a variety of areas, including crisis management, strategy and strategic planning, social responsibility, health and nutrition, regulatory and government affairs, and public company board experience (including specific experience in credit, risk, governance, and social responsibility oversight) that strengthens the Board's collective knowledge, capabilities and experience. She also has a unique sense of shareowner perspectives.

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CAROLYN TASTAD. Ms. Tastad, age 56, has served as a Kellogg Director since December 2015. Ms. Tastad is currently Group President, Procter & Gamble North America, Selling and Market Operations. Ms. Tastad has worked at P&G since 1983 and has experience across its broad portfolio of brands, including responsibility for leading P&G's selling organization across all sectors and all regions. She is executive sponsor of P&G's Gender Equality citizenship effort and leads P&G's Corporate Women's Leadership Team. Ms. Tastad previously served in executive roles in the U.S., Canada, and Switzerland.

As a result of these professional and other experiences, Ms. Tastad possesses particular knowledge and experience in a variety of areas, including people management, marketing, sales and distribution, branded consumer products and consumer dynamics, and international and emerging markets that strengthens the Board's collective knowledge, capabilities and experience.

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NOEL WALLACE. Mr. Wallace, age 53, has served as a Kellogg Director since October 2015. Mr. Wallace is currently Chief Operating Officer, Global Innovation and Growth and Hill's Pet Nutrition. He has worked at Colgate-Palmolive since 1987, serving in global executive roles in marketing and general management in North America, Europe, Latin America, and Africa, including responsibility for Colgate's Sustainability strategy. In 2013, he was appointed President of Colgate Latin America prior to assuming his current role in 2016.

As a result of these professional and other experiences, Mr. Wallace possesses particular knowledge and experience in a variety of areas, including accounting and financial acumen, risk management, innovation / research and development, international and emerging markets, branded consumer products and consumer dynamics, regulatory and government that strengthens the Board's collective knowledge, capabilities and experience.

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