AFFILIATED MANAGERS GROUP, INC.
Form DEF 14A
April 17, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under §240.14a-12
AFFILIATED MANAGERS GROUP, INC.

(Name of Registrant as Specified In Its Charter)

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

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(3) Filing Party:

(4) Date Filed:

AFFILIATED MANAGERS GROUP, INC.

777 South Flagler Drive

West Palm Beach, Florida 33401

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 29, 2019

NOTICE IS HEREBY GIVEN that the 2019 Annual Meeting of Stockholders (the "Annual Meeting") of Affiliated Managers Group, Inc. (the "Company") will be held on Wednesday, May 29, 2019, at 10:00 a.m. Eastern Daylight Time at the Company's office at 600 Hale Street, Prides Crossing, Massachusetts 01965, for the following purposes:

1. To elect ten directors of the Company to serve until the 2020 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified.
2. To approve, by a non binding advisory vote, the compensation of the Company's named executive officers.
3. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year.
4. To consider and act upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

This year, we have again saved significant mailing and printing costs and reduced our environmental impact by providing proxy materials to you over the Internet pursuant to Securities and Exchange Commission rules. On or about April 17, 2019, we will mail to our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access the Proxy Statement and our 2018 Annual Report on Form 10 K online. The Notice, which cannot itself be used to vote your shares, also provides instructions on how to vote over the Internet and how to request a paper copy of the proxy materials, if you so desire. Whether you receive the Notice or paper copies of our proxy materials, the Proxy Statement and 2018 Annual Report on Form 10 K are available to you at www.proxyvote.com.

The Company's Board of Directors fixed the close of business on April 2, 2019 as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting and at any adjournments or postponements thereof. Your vote is very important. Please carefully review the Proxy Statement and submit your proxy over the Internet, by telephone or by mail whether or not you plan to attend the Annual Meeting. If you hold your shares in street name through a broker, bank or other nominee, please follow the instructions you receive from them to vote your shares.

By Order of the Board of Directors.

David M. Billings,
General Counsel and Secretary

West Palm Beach, Florida
April 17, 2019

AFFILIATED MANAGERS GROUP, INC.

777 South Flagler Drive

West Palm Beach, Florida 33401

PROXY STATEMENT

FOR 2019 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 29, 2019

April 17, 2019

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Affiliated Managers Group, Inc. ("AMG," the "Company," "we" or "us") for use at our 2019 Annual Meeting of Stockholders to be held on Wednesday, May 29, 2019, at 10:00 a.m. Eastern Daylight Time at the Company's office at 600 Hale Street, Prides Crossing, Massachusetts 01965 and at any adjournments or postponements thereof (the "Annual Meeting"). At the Annual Meeting, stockholders will be asked to elect ten directors, approve, by a non binding advisory vote, the compensation of the Company's named executive officers (as defined in the "Executive Compensation Tables" section of this Proxy Statement), ratify the selection of PricewaterhouseCoopers LLP ("PwC") as our independent registered public accounting firm for the current fiscal year, and consider and act upon any other matters properly brought before them.

Important Notice Regarding the Internet Availability of Proxy Materials. This year, we have again saved significant mailing and printing costs and reduced our environmental impact by providing proxy materials to you over the Internet in accordance with Securities and Exchange Commission ("SEC") rules. On or about April 17, 2019, we will mail to our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access this Proxy Statement and our 2018 Annual Report on Form 10 K online. The Notice, which cannot itself be used to vote your shares, also provides instructions on how to vote over the Internet and how to request a paper copy of the proxy materials, if you so desire. Whether you received the Notice or paper copies of our proxy materials, the Proxy Statement and 2018 Annual Report on Form 10 K are available to you at www.proxyvote.com.

Stockholders of record of the Company's common stock at the close of business on the record date of April 2, 2019 will be entitled to notice of the Annual Meeting and to one vote per share on each matter presented at the Annual Meeting. As of the record date, there were 51,197,936 shares of common stock outstanding and entitled to vote at the Annual Meeting.

The presence, in person or by proxy, of holders of at least a majority of the total number of shares of common stock outstanding and entitled to vote at the Annual Meeting is necessary to constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non votes, if any, will be counted as present and entitled to vote for purposes of establishing a quorum.

A "broker non vote" is a proxy from a broker or other nominee indicating that such person has not received instructions from the beneficial owner on a particular matter with respect to which the broker or other nominee does not have discretionary voting power. Brokers have the discretion to vote their clients' proxies only on matters deemed "routine" by the New York Stock Exchange ("NYSE").

At this year's Annual Meeting, the election of directors (Proposal 1) and the advisory vote on executive compensation (Proposal 2) are non routine matters, and only the ratification of our auditors (Proposal 3) is a routine matter. It is important that you instruct your broker as to how you wish to have your shares voted on these proposals, even if you wish to vote as recommended by the Board of Directors.

Stockholders are requested to submit a proxy over the Internet or by telephone, or by returning a completed, signed and dated proxy card or voting instruction form. If you vote over the Internet or by telephone, you should not return a proxy card or voting instruction form. Shares represented by a properly submitted proxy received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed by the proxy. If a properly executed proxy or voting instruction form is submitted without any instructions indicated, the proxy will be voted FOR the election of each of the nominees for director, FOR the approval of the advisory vote on executive compensation, and FOR the ratification of the selection of PwC as our independent registered

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public accounting firm for the current fiscal year. If other matters are presented, proxies will be voted in accordance with the discretion of the proxy holders on such other matters.

A stockholder of record may revoke a proxy at any time before it has been voted by filing a written revocation with the Secretary of the Company at the Company’s principal executive office at 777 South Flagler Drive, West Palm Beach, Florida 33401 6152, by submitting a duly executed proxy bearing a later date, or by appearing in person and voting by ballot at the Annual Meeting. A stockholder of record who voted over the Internet or by telephone may also change his or her vote with a timely and valid later Internet or telephone vote. Any stockholder of record as of the record date may attend the Annual Meeting whether or not a proxy has previously been given, but the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. If you hold your shares in street name and would like to change your voting instructions, please follow the instructions provided to you by your broker, bank or other intermediary.

A stockholder may vote in person at the Annual Meeting upon presenting picture identification and any one of the following: an account statement, the Notice or a proxy card. If you hold your shares in street name, you will need to obtain a proxy from your bank or broker in order to vote in person, and you must bring a brokerage statement or letter from your broker, bank or other intermediary reflecting stock ownership, along with picture identification. The address of the Company’s office in Prides Crossing, Massachusetts is set forth above for stockholders who plan to vote in person at the Annual Meeting.

PROXY STATEMENT SUMMARY

This summary highlights certain information from our Proxy Statement for the 2019 Annual Meeting of Stockholders. You should read the entire Proxy Statement carefully before voting.

2019 Annual Meeting of Stockholders

Meeting Information	Agenda Items	Recommendation	Additional Detail
May 29, 2019 10:00 a.m. Eastern Daylight Time	Proposal 1—Election of Directors	FOR each Nominee	Page 11
	Proposal 2—Advisory Vote to Approve Executive Compensation (Say-on-Pay)	FOR	Page 61
Affiliated Managers Group, Inc. 600 Hale Street Prides Crossing, Massachusetts 01965	Proposal 3—Ratification of Selection of Independent Registered Public Accounting Firm	FOR	Page 62

Company Overview

AMG is a global asset management company with equity investments in leading boutique investment management firms, referred to as "Affiliates." AMG's innovative partnership approach allows each Affiliate's management team to own significant equity in their firm and maintain operational autonomy. AMG's strategy is to generate shareholder value through the growth of existing Affiliates, as well as through investments in new Affiliates and additional investments in existing Affiliates. In addition, AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations. As of December 31, 2018, AMG's aggregate assets under management were $736.0 billion in more than 500 investment products across a broad range of active, return-oriented strategies.

Governance Highlights

Highly Independent and Diverse Board	• Active Lead Independent Director with expansive duties; new appointment in 2015	• New Executive Chairman role separates the CEO and Chairman functions
	• Women represent 25% of non executive directors, with two female directors currently	• Directors bring a wide array of qualifications, skills and attributes to AMG's Board; see Director

	on the Board • 25% of non-executive directors are non U.S. citizens	Experience and Skills Overview on page 13
Active Board Refreshment	• 40% of the directors joined the Board within last five years • New chairs of all committees and a new Lead Independent Director in the last four years • Executive Chairman role established in 2018	• Balanced mix of short and long-tenured non executive directors; average tenure of eight years (shorter than the peer average) • Long-tenured directors in leadership roles
Director Accountability, Development and Engagement	• 100% director attendance at Board meetings, and over 98% average attendance rate at Board and committee meetings, in 2018 • Comprehensive orientation for new directors; ongoing development programs, with additional training for directors in new leadership roles	• Annual Board and committee self-evaluations and individual director assessments • Annual election of directors at majority vote standard (no staggered board), with a 99% average director re election vote in 2018
No Overboarding	• Three directors serve on boards of other public companies	• No director serves on more than one additional public company board
Active Stockholder Engagement	• Active engagement, with regular stockholder outreach on topics including corporate governance and executive compensation • Demonstrated integration of stockholder feedback into executive compensation program design	• 2017-2018 outreach initiative to over 200 stockholders representing over 90% of voting shares • Compensation Committee Chair attended multiple meetings with top institutional investors
Equity Ownership Guidelines	• 10x annual base salary for AMG's CEO • 10x annual base salary for AMG's President and CFO, increased in 2019 from 7x • 7x annual base salary for all other NEOs	• 5x annual base fees for non-executive directors • CEO and President and CFO each holds shares of AMG stock representing >25x their respective salaries, significantly exceeding the required levels
Active Implementation of Long Term Succession Plan	• In 2018, AMG announced that Chairman and CEO Sean M. Healey had been diagnosed with ALS, and the Board immediately initiated its long term succession plan • The successful initiation of the Board's long term succession plan was the culmination of advance evaluation and planning, to be in a position to immediately provide continuity of leadership in a time of unexpected transition	• In May 2018, Nathaniel Dalton (formerly President and COO) succeeded Mr. Healey as CEO and Mr. Healey was appointed Executive Chairman, and in early 2019 CFO Jay C. Horgen was appointed as President and AMG announced that a new CFO would be joining • Transition and succession planning activities are ongoing, with the continued enhancement of the senior management team through new and evolving roles

Prioritization of Risk Management Oversight and ESG Factors	• Board has principal responsibility for oversight of AMG's risk management process, including data security, privacy and other ESG topics • Majority of directors have extensive background and experience in risk management • Eleven Affiliates are signatories to UNPRI and five are signatories to the UK Stewardship Code	• A cross functional Sustainability Committee was formed in 2018, with oversight responsibility of AMG's policies and operational controls for environmental, health and safety, and social risks • The Sustainability Committee reports to the Board at least annually, and includes members of AMG's executive management team

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2018 Performance Highlights

Solid financial performance in a challenging environment for active asset managers	• 2018 financial and operating results were impacted by industry-wide client risk aversion, as well as lower performance fees and elevated market volatility, particularly in the fourth quarter, which produced broadly negative returns across asset classes	• AMG's 2018 GAAP results were largely impacted by a small number of one-time items, including non-cash impairment charges relating to two alternative Affiliates in 2018 and a one-time gain in the prior year relating to tax reform, as well as AMG's donation to establish The Sean M. Healey and AMG Center for ALS at Mass General
	• GAAP earnings per share of $4.52, lower than the prior year, primarily due to non-cash impairment charges and other one-time items	• Economic earnings per share of $14.50, relatively flat compared with the prior year; compound annual growth rates of 5% and 8% over the 3- and 5-year periods
	• AUM of $736 billion at year end, lower than the prior year, reflecting modestly negative flows for the year, as well as the impact of elevated market volatility and foreign exchange rate changes	• Aggregate fees of $5.4 billion, relatively flat compared with the prior year; compound annual growth rates of 10% and 7% over the 3- and 5-year periods
	Additional information on non-GAAP financial performance measures, including reconciliations to the most directly comparable GAAP measure, can be found in AMG's Annual Report on Form 10-K under "Supplemental Financial Performance Measures." Aggregate fees is an operating measure that consists of the total asset- and performance-based fees earned by all of AMG's Affiliates, as further described in the Annual Report on Form 10-K.	
Ongoing focus on core strategy and positioning AMG for future growth	Focus on strategic partnerships and distribution strategies; solid organic growth outlook	Ongoing focus on capital management and pursuit of efficiency opportunities
	• Elevated market volatility increased industry wide client risk aversion, leading to modestly negative net client cash flows for the year; however, positive flows in alternative and multi-asset strategies over the year	• Demonstrated commitment to returning capital to stockholders, with an increase in AMG's quarterly cash dividend each year since its initiation, along with $490 million in share repurchases in 2018 and between $100 million and $300 million in repurchases targeted for the first half of 2019

	• Strong long-term organic growth, with net client cash flows over the past decade of over $115 billion into active equity products and alternative strategies	• Lowered cost of capital and extended the duration of borrowings through the refinancing of AMG's credit facilities; entered into foreign currency derivative contracts to access lower interest rates
	• Formation of new strategic partnerships to enhance AMG's product set and expand distribution capabilities, including the recent partnership with Nordea Asset Management to deepen coverage of European and Latin American clients	• Active review of AMG's business for opportunities to improve efficiencies and support the positioning of Affiliates' businesses for future opportunities; for example, combining the investment team at Trilogy Global Advisors with GW&K Investment Management
	• New office in Japan to build strategy for executing on substantial opportunities in that market	• Reducing operating expenses at AMG while also working with a number of Affiliates to assist in aligning their business infrastructures with foreseeable opportunities and against evolving industry dynamics
	• Continued focus on cultivating strong relationships with prospective new Affiliates in a challenging transaction environment, remaining highly selective while positioning AMG for new forward investment opportunities	Execution on significant ESG initiatives, including the establishment of The Sean M. Healey and AMG Center for ALS at Mass General
		• A significant one time matching gift in 2018 established The Healey Center, uniting world experts to revolutionize treatments and pursue a cure for ALS, reflecting AMG's commitment to non-profit organizations in our communities and to fostering a culture of philanthropy and sound corporate citizenship among our employees and peers
2018 stock decline, reflecting a period of elevated market volatility; strong long term stockholder value creation	Absolute stock performance	Relative stock performance
	• Stock price declined 52% in 2018, reflecting a challenging market environment for active asset managers and elevated market volatility, particularly in the fourth quarter; however, stock price rebounded approximately +15% year-to-date	• 2018 stock performance fell behind AMG's Peer Group average, as well as the S&P 500®
		• Stockholder returns in 2018 were impacted across the sector, with stock prices declining 36% at the

- Stockholder returns of +135% over the trailing 10-year period and +530% since AMG's IPO; 38% and -54% over the 3 and 5 year periods

median across publicly traded traditional asset managers, relative to the 6% return generated by the S&P 500® index

- Long-term stock performance outpaced AMG's Peer Group median over the 10 year period

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2018 CEO Transition and Ongoing Succession Planning

Successful Initiation of Long-Term Succession Plan

- In May 2018, AMG announced that Sean M. Healey, Chairman and Chief Executive Officer, had been diagnosed with amyotrophic lateral sclerosis (a motor neuron disease otherwise known as ALS, or Lou Gehrig's disease), and the Board immediately initiated its long-term succession plan

- Nathaniel Dalton (formerly President and COO) immediately succeeded Mr. Healey as CEO and Mr. Healey was appointed Executive Chairman, and in early 2019 CFO Jay C. Horgen was appointed as President and AMG announced that a new CFO, Thomas M. Wojcik, would be joining AMG from BlackRock, Inc.

- The directors continue to serve as a source of strategic strength for AMG and for Mr. Dalton and Mr. Horgen in their new roles, bringing significant diversity in skills, experiences and perspectives

New Executive Chairman Role

- For over 20 years, Mr. Healey's strategic vision and leadership have shaped AMG and driven its long-term success, and AMG continues to benefit from Mr. Healey's contributions through his new position as Executive Chairman

- The new Executive Chairman role, combined with a strong Lead Independent Director, supports a number of important objectives

  - Retains Mr. Healey in a leadership role, keeping him actively involved in the development and oversight of AMG's strategy as he pursues treatment

  - Provides continuity in the execution of AMG's business and strategy, as well as support for the senior management team

  - Maintains continuity in Board governance, with Mr. Healey continuing to chair meetings of the Board and coordinate its agenda, in consultation with AMG's CEO, President and Lead Independent Director, and continuing to guide AMG's strategic direction

  - Separates the Chairman and CEO functions, while retaining a Chairman who has unparalleled knowledge of AMG's business and operations and is a widely recognized leader in the asset management industry

• The total compensation of AMG's Executive Chairman declined -43% compared to 2017; significant relative reduction expected for the 2019 performance year, as the senior management team continues to evolve; Executive Chairman compensation structure on a forward basis will reflect (i) Mr. Healey's role as Executive Chairman for a full calendar year (as compared to 2018 when he served as CEO for part of the year), (ii) market comparisons for the role and (iii) award mix and levels that further the Committee's objectives of aligning compensation with stockholder value creation and retaining and motivating executives

Ongoing Transition and Succession Planning Activities and Continued Enhancement of Senior Team

• Nathaniel Dalton appointed as CEO in May 2018, with long tenure and a uniquely deep understanding of AMG's business

- Joined AMG in 1996, and has worked side-by-side with Mr. Healey for nearly 25 years as one of AMG's founders; appointed as COO of AMG in 2006 and President in 2011

- Responsible for AMG's Affiliate relationship management function for nearly 20 years and leading the development of AMG's centralized global distribution function from its earliest stages, with close involvement in strategic decisions and execution throughout AMG's history

- Provides continuity in the execution of AMG's overall strategy, which is to be the partner of choice to the world's most highly-regarded boutique investment management firms, and a global leader in asset management

• Jay C. Horgen appointed as President in February 2019, in an expanding role as part of the Board's long term succession plan

- Promotion reflects the continuing evolution of Mr. Horgen's responsibility set and his increasingly broad leadership role at AMG, as well as his central and significant role in supporting Mr. Healey and Mr. Dalton in managing the business

- 25-year focus on the asset management business and a long and successful tenure at AMG—joined AMG in 2007 to oversee New Investments, directly overseeing eight Affiliate investments; promoted to CFO in 2011 and built out the finance department as AMG became a more global company operating in an increasingly complex regulatory environment

- Broadened role involves working closely with the Head of Global Distribution to execute AMG's growth strategy across its distribution platforms, as well as continuing to oversee AMG's finance and capital management functions and continuing to be involved in building relationships with prospective Affiliates

• Additional senior management team transition and succession planning activities are ongoing, with several senior members evolving into new roles and additional members joining the team

- In March 2019, AMG announced the appointment of Thomas M. Wojcik as its next CFO; Mr. Wojcik will join AMG in April 2019 and transition to CFO no later than the announcement of AMG's earnings for the second quarter of 2019; he joins AMG from BlackRock, Inc., where he most recently served as Managing Director and Chief Financial Officer for Europe, Middle East, and Africa (EMEA), Head of EMEA Strategy, and Global Head of Investor

Relations, and brings distinctive industry experience as an investor, operator and strategic leader

- Other senior promotions include Alexandra Lynn, who joined AMG in 2009, to Chief Administrative Officer, and John Erickson, who joined AMG in 2014, to taking sole responsibility for AMG's Affiliate relationship management as Executive Vice President, Head of Affiliate Development

• The Board continues to focus on implementing its long-term succession plan, and on further developing and expanding the senior management team, to maintain a breadth and depth of talent to ensure that AMG is well positioned to continue to execute against its strategy

Compensation Program and Governance Changes

Positive Stockholder Feedback on 2017 Compensation Program Enhancements

At AMG's last Annual Meeting, over 94% of stockholder votes cast were in favor of named executive officer compensation, reflecting strong support for AMG's executive compensation program design and its demonstrated linkage of pay-for-performance. This high level of support followed a comprehensive outreach to stockholders to discuss a broad range of topics, including executive compensation and governance matters. During this outreach, senior management attended in-person meetings with top institutional investors and major proxy advisory firms, in several of which AMG's Compensation Committee Chair, Jide Zeitlin, participated. The Compensation Committee considered the feedback from this outreach, and implemented meaningful enhancements to AMG's compensation program in 2017.

During ongoing stockholder engagement, stockholders expressed strong support for the 2017 enhancements, including those summarized below:

Significantly increased the proportion of performance-based equity awards to 60% of AMG's CEO's total equity incentive awards, with the result that performance-conditioned equity is now the largest component of total CEO compensation

Implemented a new return on equity metric for performance awards, to better align management incentives with the strategic goals of both growing earnings and effectively managing capital

Revised the weightings of the performance scorecard categories to increase the quantitative financial and stock performance factors and reduce the weighting of the more subjective strategic factors

Significantly expanded the Performance Assessments disclosure, including disclosure of the scores for each scorecard category as well as the financial targets used to determine formulaic cash bonus awards

Eliminated performance award "re-testing" concerns through the use of a single operating metric hurdle measured over a single three year period

Established distinct caps on Performance-Based Incentive Compensation for each NEO, in addition to the CEO, and lowered the existing cap on CEO Performance-Based Incentive Compensation by 20% in 2017

Over 94% of stockholder votes cast were in favor of NEO compensation in AMG's 2018 Say-on-Pay Vote

Compensation Program and Governance Changes (cont.)

2018 Stockholder Comments and Additional Governance and Compensation Program Enhancements

AMG has continued its engagement with stockholders and proxy advisory firms on AMG's executive compensation program and governance practices. The recent outreach effort included meetings with institutional investors over the course of the year, as well as multiple in person meetings with major proxy advisory firms. AMG's Compensation Committee Chair once again attended multiple meetings with top institutional investors and a major proxy advisory firm. The collective feedback from this outreach was taken into account and is reflected in further enhancements made to AMG's corporate governance practices and compensation program design this year, as well as in the Committee's final compensation determinations.

Stockholder Comments		AMG Response
Comment #1	Maximum award values remain high	Total 2018 CEO compensation declined 43% compared to 2017, which followed declines in each of the last five years for an overall reduction of approximately 65% since 2013, demonstrating consistent and ongoing attention to this concern and the impact of compensation program enhancements The total compensation of AMG's Executive Chairman declined 43% compared to 2017; significant relative reduction expected for the 2019 performance year, as the senior management team continues to evolve; Executive Chairman compensation structure on a forward basis will reflect (i) Mr. Healey's role as Executive Chairman for a full calendar year (as compared to 2018 when he served as CEO for part of the year), (ii) market comparisons for the role and (iii) award mix and levels that further the Committee's objectives of aligning compensation with stockholder value creation and retaining and motivating executives Aggregate total compensation of AMG's Executive Chairman and its CEO (who each performed in the CEO role during a portion of 2018) declined 29%; total NEO compensation as a group declined more than 20%
Comment #2	CEO compensation caps are high	Significantly reduced the existing caps on Performance-Based Incentive Compensation for AMG's CEO, including lowering the cap on CEO Performance-Based Incentive Compensation from $20.0 million to $17.5 million and reducing the separate cash bonus cap from $4.5 million to $4.0 million—a 12.5% reduction on the overall cap; reflects a 30% reduction of the cap on Performance-Based Incentive Compensation for AMG's CEO over the last two years
Comment #3	Performance Assessments should be more formulaic	Performance Assessment scorecards have been enhanced to add disclosure of sub category weightings, for both the Long-Term and Short-Term Performance Assessments Removed the supplemental performance metrics from the Short-Term Incentive Compensation scorecard; scoring in the financial performance category is now entirely linked to pre-established disclosed financial performance targets Expanded disclosure on the more subjective qualitative business and strategic factors considered in the analysis, to increase transparency and display the formulaic nature of the process
Comment #4	Executives should hold significantly larger equity stakes	Equity Ownership Guidelines were revised in 2019 to increase the holding requirement for AMG's President and CFO from 7x to 10x his annual base salary Equity Ownership Guidelines require AMG's CEO and its President and CFO to each hold 10x their annual base salary, which are higher than industry average requirements;

		each holds shares of AMG stock representing >25x their respective salaries, significantly exceeding the required levels Ongoing consideration of potential policies and programs to promote further accumulation and retention of equity stakes in AMG by AMG's senior management team, to further align management incentives with stockholder value creation
Comment #5	ESG activities should factor into incentive award decisions	Formal weighting of ESG factors added to both the Short-Term and Long-Term Performance Assessment scorecards
Comment #6	Greater attention should be paid to ESG matters	During 2018, AMG made significant progress in implementing a number of key ESG initiatives, including: - new policies and practices to promote an inclusive and diverse work environment - completed the first inventory and secured third-party attestation of AMG's GhG Emissions and participated in the CDP Climate Change Information Request - transitioned to renewable energy sources at multiple office locations - eliminated single-use plastic water bottles and straws from AMG's principal offices - further focused efforts to promote procurement of products and materials which have high concentrations of recycled materials AMG and The AMG Charitable Foundation both donate to a variety of non-profit organizations and community programs globally, and in 2018 approved a significant charitable gift to establish The Sean M. Healey and AMG Center for ALS at Mass General

Additional information on non-GAAP financial performance measures, including reconciliations to the most directly comparable GAAP measure, can be found in AMG's Annual Report on Form 10-K under "Supplemental Financial Performance Measures."

Compensation Results and Program Overview (cont.)

Compensation Determination Process

- The Incentive Pool, which serves as the basis for determining all Performance-Based Incentive Compensation, was set at 6% of Adjusted Economic net income, resulting in a $56.0 million pool

- Performance-Based Incentive Compensation of AMG's CEO was capped at the lesser of $17.5 million or 40% of the Incentive Pool, which resulted in a cap of $17.5 million

- In addition to the overall incentive award cap, the cash bonus for AMG's CEO was capped at $4.0 million

- Equity incentive awards were limited to the capped amount of Performance-Based Incentive Compensation less the maximum cash bonus, resulting in a maximum of $13.5 million of equity incentive awards for AMG's CEO

- Weighted scores were determined using two quantitative assessments—the Short-Term and the Long-Term Incentive Compensation Performance Assessments—and were applied to the cash bonus and equity incentive award caps, respectively, to produce formulaic award payout amounts for each of these two award categories

- For purposes of the Performance Assessments, the Compensation Committee considered Mr. Dalton as serving in the role of CEO for the full year, as a practical expedient and in recognition of his prior role as AMG's President and COO and his exceptional leadership efforts during the CEO transition

Short-Term Incentive Compensation Performance Assessment

- AMG's performance in 2018 reflected the challenging environment for active asset managers, which produced broadly negative returns across asset classes and resulted in mixed performance for the year against Economic earnings per share and EBITDA margin targets

- Despite these challenges, the Committee recognized the positive flows in alternative and multi-asset strategies over the year, as well as the management team's continued focus on building relationships with prospective new Affiliates in a challenging transaction environment, the formation of new strategic partnerships to enhance AMG's product set and expand distribution capabilities, and the active review of AMG's business for opportunities to improve efficiencies and reduce Company expenses, positioning AMG for future growth, as well as the successful execution on the Board's long-term succession plan following the unexpected CEO transition during the year

- An overall weighted score of 50% was applied to the capped annual cash bonus of $4.0 million, resulting in a formulaic cash bonus of $2.0 million for AMG's CEO

2018 Financial Results vs. Targets

Financial targets used in the Performance Assessment are designed to align management incentives with stockholder value creation, and take into account factors known at the time. Actual results may be impacted by a number of external factors, including macroeconomic factors, market changes, and regulatory or political changes, as well as other factors such as share repurchases and new investments in Affiliates, that may not be anticipated and could significantly impact AMG's business. These financial targets are not intended to be a form of guidance or a prediction of AMG's performance during the performance year or in any future period.

Long-Term Incentive Compensation Performance Assessment

- An overall weighted score of 33.3%, reflecting the challenging environment for active asset managers and the recent stock performance in particular, was applied to the capped annual amount of equity incentive awards of $13.5 million, resulting in a formulaic equity incentive award for AMG's CEO of $4.5 million

- The Committee's allocation for this equity incentive award amount was 40% in the form of Long-Term Deferred Equity Awards and 60% in the form of Long-Term Performance Achievement Awards, consistent with the targeted allocations

Compensation Results and Program Overview (cont.)

2018 Compensation Results and Elements of Compensation

Total 2018 CEO compensation declined 43% compared to 2017 and total NEO compensation declined more than 20%, reflecting a significant reduction in the caps on the Performance-Based Incentive Compensation of AMG's CEO, as well as the results of the Compensation Committee's formal Performance Assessments, which considered AMG's stock performance, financial and operating results and strategic performance for the year and over the long-term, on both a relative and an absolute basis, as well as the business initiatives achieved over the year and AMG's performance against pre-established financial performance targets, and produced formulaic cash bonus and equity incentive awards.

Consistent with prior years, a significant proportion of incentive-based compensation was in the form of performance-based equity awards, which were 60% of total CEO equity incentive awards and were the largest component of total CEO compensation. These awards are subject to three-year cliff vesting, with delivery tied to rigorous return on equity targets that align management incentives with the strategic goals of growing earnings and effectively managing capital.

Supplemental Table—Compensation Earned in Fiscal Year 2018

Name and Principal Position	Salary	Cash Bonus	Long-Term Deferred Equity Awards	Long-Term Performance Achievement Awards	All Other Compensation	Total Compensation Earned
Nathaniel Dalton Chief Executive Officer	$650,641	$2,000,000	$ 1,800,000	$ 2,700,000	$ 37,894	$ 7,188,535
Sean M. Healey Executive Chairman	$750,000	$2,975,000	$ 1,905,000	$ 1,270,000	$ 263,279	$ 7,163,279
Jay C. Horgen President, Chief Financial Officer and Treasurer	$500,000	$1,650,000	$ 1,400,000	$ 2,100,000	$ 45,685	$ 5,695,685
Hugh P. B. Cutler Executive Vice President and Head of Global Distribution	$400,000	$ 800,000	$ 480,000	$ 720,000	$ 34,979	$ 2,434,979
David M. Billings General Counsel and Secretary	$400,000	$1,100,000	$ 240,000	$ 360,000	$ 33,554	$ 2,133,554

The above tables include equity awards granted to the Company's named executive officers in February 2019 in recognition of 2018 performance (and exclude equity awards granted in January 2018 in recognition of 2017 performance), to better demonstrate how the Company evaluates and compensates its named executive officers. These amounts differ from the compensation reported in the Summary Compensation Table because SEC rules require equity awards to be reported in the fiscal year of grant, even where the awards are intended to compensate executives for performance in a prior year. Please refer to the "Executive Compensation Tables" and "Equity Grant Policy" sections of this Proxy Statement for additional information.

PROPOSAL 1: ELECTION OF DIRECTORS

Introduction

Our Board of Directors currently consists of ten members. At the Annual Meeting, ten directors are expected to be elected to serve until the 2020 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified. The Board of Directors, upon the recommendation of the Nominating and Governance Committee, has nominated Messrs. Samuel T. Byrne, Dwight D. Churchill, Nathaniel Dalton, Glenn Earle, Niall Ferguson, Sean M. Healey, Patrick T. Ryan and Jide J. Zeitlin, and Mses. Tracy P. Palandjian and Karen L. Yerburgh (collectively, the “Nominees”), to serve as directors. Each of the Nominees is currently serving as a director of the Company. As more fully discussed below in the “Corporate Governance Matters and Meetings of the Board of Directors and Committees” section of this Proxy Statement, the Board of Directors has determined that seven of its ten Nominees, Messrs. Byrne, Churchill, Earle, Ferguson, Ryan and Zeitlin, and Ms. Palandjian, have no material relationship with the Company and, therefore, are independent for purposes of NYSE listing standards. The Board of Directors expects that each of the Nominees will, if elected, serve as a director for the new term. However, if any person nominated by the Board of Directors is unable to accept election, the proxies will be voted for the election of such other person or persons as the Board of Directors may recommend.

The Company’s amended and restated by laws (the “By laws”) provide for majority voting in uncontested director elections. Under the majority voting standard, directors are elected by a majority of the votes cast, which means that the number of shares voted “for” a director must exceed the number of shares voted “against” that director. In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), the standard for the election of directors will be a plurality of the votes cast. Abstentions and broker non votes will have no effect on the outcome of the vote on the election of directors.

Under our Corporate Governance Guidelines, the Nominating and Governance Committee has established procedures for any director who is not elected to tender his or her offer to resign. Upon receiving the director’s offer to resign, the Nominating and Governance Committee will recommend to the Board of Directors whether to accept or reject the offer to resign, or whether other action should be taken. The Nominating and Governance Committee and the Board of Directors, in making their decisions, may consider any factor or information that they deem relevant. The Board of Directors, taking into account the Nominating and Governance Committee’s recommendation, will act on the tendered resignation within ninety days following certification of the election results. A director whose resignation is under consideration must abstain from participating in any recommendation or decision regarding his or her resignation.

Recommendation of the Board of Directors

The Board of Directors believes that the election of each of the Nominees is in the best interests of the Company and its stockholders and, therefore, unanimously recommends that stockholders vote FOR the election of each of the Nominees.

Information Regarding the Nominees

The following table sets forth the name, age (as of April 1, 2019), tenure and other information of each Nominee, along with the committees of the Board of Directors on which each Nominee currently serves.

Director Nominee Information: Committee Memberships							
Name	Age	Compensation Committee	Nominating and Governance Committee	Audit Committee	Independence	Tenure (Years)	Other Public Boards
Samuel T. Byrne	54					10	—
Dwight D. Churchill	65			(Chair)		9	—
Nathaniel Dalton Chief Executive Officer	52					1	—
Glenn Earle	61					4	1
Niall Ferguson	54					5	—
Sean M. Healey Executive Chairman	57					18	—
Tracy P. Palandjian	48					7	—
Patrick T. Ryan Lead Independent Director	60		(Chair)			14	1
Karen L. Yerburgh	56					1	—
Jide J. Zeitlin	55	(Chair)				13	1
	Average Age of 56	100% Independent; New Chair in 2015	100% Independent; New Chair in 2015	100% Independent; 100% Financial Experts; New Chair in 2015	7 of 10 Directors are Independent	Average Tenure = ~8 years	No Overboarding

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The Nominees bring a wide array of qualifications, skills and attributes to our Board of Directors that support its oversight role on behalf of our stockholders. The most relevant of these qualifications and skills are summarized in the table below:

Director Experience and Skills Overview		
Financial, accounting or financial reporting	We use a broad set of financial metrics to measure our operating and strategic performance. Accurate financial reporting and rigorous auditing are critical to our success. We seek to have directors who qualify as audit committee financial experts and expect all of our directors to have an understanding of finance and financial reporting processes.	10 of 10 Directors
Investment management	Directors with investment management experience provide the Board with an enhanced understanding and assessment of our business strategy and bring valuable perspective on topics that are uniquely relevant to our industry.	8 of 10 Directors
Global business	Our continued success depends in part on the sustained growth of our international operations, and we seek directors with global business experience, including managing and growing organizations worldwide.	8 of 10 Directors
Leadership	We seek directors who have held significant leadership positions, as we believe this experience provides directors with a practical understanding of organizations, processes, strategy, risk management and other factors that promote growth.	10 of 10 Directors
Other public company board experience	Directors with experience serving on other public company boards provide valuable operations and management perspectives, which support our Board's ability to oversee and advise management. Further, these directors bring to our Board valuable insights on corporate governance trends and practices and other issues affecting public companies generally.	3 of 10 Directors
Public policy and	We and our Affiliates operate in a highly regulated industry and are directly affected by governmental actions and socioeconomic trends and, therefore, we seek directors with	4 of 10 Directors

government affairs	experience with governmental, regulatory and related organizations.	
Risk management and compliance	Risk management is critical to the success of our business, and we seek directors with regulatory and compliance expertise, as well as experience managing and overseeing risk in public and private companies and in other contexts.	8 of 10 Directors
Environmental, social and governance	Directors who have experience in managing environmental, sustainability and social issues are able to assist the Board in overseeing and advising management to ensure that strategic business imperatives and long-term value creation for stockholders are achieved within a responsible, sustainable business plan.	6 of 10 Directors
Operational	We believe that directors with experience in operations are able to assess and advise management on the formulation and execution of our business strategy.	8 of 10 Directors

The following biographical summaries provide additional information on the business experience, principal occupation and past employment and directorships of each Nominee during at least the last five years.

Director Biographical Information

Samuel T. Byrne Audit Committee, Compensation Committee, & Nominating and Governance Committee	Samuel T. Byrne has been a director of the Company since October 2009. Mr. Byrne is a Managing Partner and co-founder of CrossHarbor Capital Partners LLC, a leading alternative investment management firm specializing in real estate, as well as distressed securities and private equity. The firm manages institutional capital on behalf of investors globally, including public pension systems, endowments and foreign institutions such as sovereign wealth funds. Before founding CrossHarbor Capital Partners, Mr. Byrne served as a management consultant advising on corporate restructurings and bankruptcy matters. Prior to that, he was a portfolio manager at Fleet Financial Group and Bank of New England. Mr. Byrne currently serves as Chairman of the Board of Trustees of the Peabody Essex Museum. We believe that Mr. Byrne's qualifications to serve on our Board of Directors include his extensive investment management experience, including his particular expertise in private equity and real estate.
Dwight D. Churchill Audit Committee (Chair)	Dwight D. Churchill has been a director of the Company since February 2010. Mr. Churchill held a number of senior positions at Fidelity Investments before retiring from the firm in 2009. Having joined Fidelity in 1993, he served as the head of the Fixed Income Division, head of Equity Portfolio Management and President of Investment Services. While at Fidelity, Mr. Churchill also served as the elected chair of the Board of Governors for the CFA Institute, a 135,000-member association previously known as the Association for Investment Management & Research, and from June 2014 to January 2015, he served as interim President and Chief Executive Officer at the CFA Institute. Prior to joining Fidelity, Mr. Churchill served as a Managing Director of Prudential Financial, Inc., as President and Chief Executive Officer of CSI Asset Management, Inc., a subsidiary of Prudential Financial, Inc., and held senior roles at Loomis, Sayles & Company and the Ohio Public Employees Retirement System. Mr. Churchill currently serves on the Board of Trustees and the Audit Committee of State Street Global Advisors SPDR ETF Mutual Funds, on the Board of Trustees of the Currier Museum of Art and as a staff consultant at The Public Employees Retirement System of Idaho. We believe that Mr. Churchill's qualifications to serve on our Board of Directors include his extensive experience in the investment management industry, including his oversight of internal controls, financial reporting and accounting procedures.
Nathaniel Dalton Chief Executive Officer	Nathaniel Dalton is the Company's Chief Executive Officer. Mr. Dalton was appointed Chief Executive Officer in May 2018, and has been a director of the Company since that time. Mr. Dalton joined AMG in 1996 as its first General Counsel, and has subsequently held a series of leadership positions within the firm. Most notably, Mr. Dalton was responsible for leading AMG's relationships with its Affiliates for nearly 20 years as well as building AMG's global distribution platforms. In 2006, Mr. Dalton was named Chief Operating Officer and he became President in 2011. Prior to joining the Company in 1996, Mr. Dalton was an attorney at Goodwin Procter LLP in Boston, focusing on mergers and acquisitions. Mr. Dalton serves as the Chairman of the Boston University Board of Overseers, is a Trustee of the University and serves on the Investment Committee for its Endowment. He received a

J.D. from Boston University School of Law and a B.A. from the University of Pennsylvania. We believe that Mr. Dalton's qualifications to serve on our Board of Directors include his direct knowledge of the Company's strategy and operations through his service as Chief Executive Officer and in other leadership positions at the Company, including President and Chief Operating Officer, and his extensive experience in the financial services and investment management industries.

Glenn Earle Audit Committee	Glenn Earle has been a director of the Company since April 2015. Mr. Earle is a member of the Board of Directors of Fiat Chrysler Automobiles N.V., where he also serves as the Chair of the Audit Committee, and of the Boards of Trustees of educational charity Teach First and The Young Vic Theatre. He retired in December 2011 from Goldman Sachs International, where he was most recently a Managing Director and the Chief Operating Officer. He was also Chief Executive of Goldman Sachs International Bank, and his other responsibilities included Co-Chairmanship of the Firm's Global Commitments and Capital Committees and membership of the Goldman Sachs International Executive Committee. He previously worked at Goldman Sachs in various roles in New York, Frankfurt and London from 1987, becoming a Partner in 1996. From 1979 to 1985, he worked in the Latin America Department at Grindlays Bank/ANZ in London and New York, leaving as a Vice President. Mr. Earle's other activities include membership of The Higher Education Commission and the Advisory Board of the Sutton Trust. He was previously Vice Chairman of Rothesay Life Group and a Trustee of the Royal National Theatre. Other previous responsibilities include membership of the Board of Trustees of the Goldman Sachs Foundation and of the Ministerial Task Force for Gifted and Talented Youth, and Chairmanship of the Advisory Board of Cambridge University Judge Business School. We believe that Mr. Earle's qualifications to serve on our Board of Directors include his extensive experience as a senior executive in a leading investment bank, as well as his service on the boards of other public and private companies.
Niall Ferguson Nominating and Governance Committee	Niall Ferguson has been a director of the Company since April 2014. Mr. Ferguson is the Milbank Family Senior Fellow at the Hoover Institution, Stanford University and a Senior Fellow at the Center for European Studies at Harvard University, and previously was the Laurence A. Tisch Professor of History at Harvard University. He is also a Visiting Professor at Tsinghua University in Beijing. Mr. Ferguson is a frequent commentator on contemporary and historical politics and economics and has published fifteen award winning books, including "Kissinger: 1923-1968: The Idealist," "The Ascent of Money," "Civilization: The West and the Rest" and "The Great Degeneration: How Institutions Decay and Economies Die." In 2009, his six-part television series "The Ascent of Money" won the International Emmy for Best Documentary. Mr. Ferguson was the Philippe Roman Visiting Professor at the London School of Economics from 2010 to 2011 and the BBC Reith Lecturer for 2012. In 2010, he won the Benjamin Franklin Award for Public Service, in 2012, the Hayek Prize for Lifetime Achievement and, in 2013, the Ludwig Erhard Prize for Economic Journalism. Mr. Ferguson is a member of the Boards of Trustees of the New York Historical Society and the London-based Centre for Policy Studies, a Managing Director at Greenmantle, a macroeconomic and geopolitical advisory firm that he founded, and a member of the Boards of Directors of Chimerica Media, a film company that he also founded, and Ualà, an Argentine online finance company. We believe that Mr. Ferguson's qualifications to serve on our Board of Directors include his extensive macroeconomic and geopolitical expertise and influence around the globe.
Sean M. Healey Executive Chairman	Sean M. Healey is the Company's Executive Chairman. Mr. Healey has served as Chairman since 2011, and previously served as Chief Executive Officer from 2005 to 2018, as well as President and Chief Operating Officer of the Company. Mr. Healey has been a director of the Company since May 2001. Prior to joining the Company in 1995, Mr. Healey was a Vice President in the Mergers and Acquisitions Department at Goldman, Sachs & Co. focusing on financial institutions. He currently serves as a member of the Council on Foreign Relations and the Visiting Committee of Harvard Law School. In 2006, Mr. Healey received a presidential appointment to serve on the President's Export Council, the nation's principal advisory committee on international trade. Mr. Healey received a J.D. from Harvard Law School, an M.A. from University College, Dublin and an A.B. from Harvard College. We believe that

Mr. Healey's qualifications to serve on our Board of Directors include his direct knowledge of the Company's strategy and operations through his prior service as Chief Executive Officer of the Company and his extensive experience in the financial services and investment management industries, including over two decades of experience in investing in asset management firms.

Tracy P. Palandjian Audit Committee & Nominating and Governance Committee	Tracy P. Palandjian has been a director of the Company since March 2012. Ms. Palandjian is the Chief Executive Officer, co-founder and a member of the Board of Directors of Social Finance, Inc., a nonprofit organization focused on developing and managing investments that generate social impact and financial return. Prior to establishing Social Finance, Ms. Palandjian served as a Managing Director at The Parthenon Group, a global strategy consulting firm. At Parthenon, she established and led the Nonprofit Practice and consulted to foundations and nonprofit organizations on strategy development, mission definition, corporate social responsibility and knowledge and innovation in the U.S. and globally. Prior to Parthenon, Ms. Palandjian worked at McKinsey & Company and at Wellington Management Company, LLP. Ms. Palandjian is currently Vice-Chair of the United States Impact Investing Alliance and the Global Social Impact Investment Steering Group (successor to the G8 Social Impact Investment Taskforce). She also serves on the Board of the Surdna Foundation (and chairs its Investment Committee), the Leadership Council of Facing History and Ourselves, The Federal Reserve Bank of Boston Community Development Advisory Council and the Investment Committee of Milton Academy. We believe that Ms. Palandjian's qualifications to serve on our Board of Directors include her extensive global financial management, consulting and advisory experience.
Patrick T. Ryan Lead Independent Director Audit Committee, Compensation Committee, & Nominating and Governance Committee (Chair)	Patrick T. Ryan has been a director of the Company since July 2005, and has served as Lead Independent Director since February 2015. Mr. Ryan currently serves as Executive Chairman of Press Ganey Holdings, Inc., a company specializing in health care performance improvement. Prior to Press Ganey, Mr. Ryan worked with SV Life Sciences as a Venture Partner from 2007 to 2009, and served as Chairman and Chief Executive Officer of The Broadlane Group from 2008, until its acquisition by MedAssets Inc. in 2010. Following such acquisition, Mr. Ryan served on the Board of Directors and in the interim role of President of Spend and Clinical Resource Management through the completion of the integration in May 2011. From 2004 to 2007, Mr. Ryan served as Chief Executive Officer and as a member of the Board of Directors of PolyMedica Corporation, a direct to consumer provider of health care products and services for individuals with chronic diseases, until its sale to Medco Health Solutions, Inc. Before joining PolyMedica, Mr. Ryan served as the Chairman and Chief Executive Officer of Physicians Dialysis Inc., a dialysis provider, until its acquisition by DaVita Inc. in 2004. Previously, Mr. Ryan has served as a partner at Westways Ventures, a firm specializing in the strategic development of companies in the healthcare and consumer sectors, as President and Chief Executive Officer of PrincipalCare Inc., a company specializing in women's healthcare, as President and Chief Executive Officer of ImageAmerica, Inc., a diagnostic imaging services company, as Co-Founder and President of R.B. Diagnostics, a diagnostic imaging services company. Mr. Ryan currently serves on the Board of Directors of American Renal Associates Holdings, Inc. (where he also serves as a member of the Audit Committee). We believe Mr. Ryan's qualifications to serve on our Board of Directors include his substantial executive management experience at several public and private companies.
Karen L. Yerburgh	Karen L. Yerburgh has been a director of the Company since January 2018. Ms. Yerburgh served until June 2017 as Managing Partner of Genesis Investment Management, LLP, a boutique investment management firm. Genesis is one of the leading emerging markets equities specialists in the world, and has been an AMG Affiliate since 2004. Ms. Yerburgh joined the firm in 1990 and was appointed Managing Partner in 2003. Prior to joining Genesis, she was a senior investment manager at Touche Remnant Investment Management Ltd and Lloyds Investment Management Ltd. She began her career at Grieveson Grant & Co. We believe Ms. Yerburgh's qualifications to serve on our Board of Directors

include her substantial experience in the investment management industry, including as a senior executive in a leading boutique investment management firm.

Jide J. Zeitlin Audit Committee & Compensation Committee (Chair)	Jide J. Zeitlin has been a director of the Company since January 2006. Mr. Zeitlin is a private investor with interests in Asia, the Middle East and Africa. He formerly served as a Partner at Goldman, Sachs & Co., where he held a number of senior management positions in the investment banking division, including that of Global Chief Operating Officer. He also served in the firm's executive office. Mr. Zeitlin joined Goldman Sachs in 1987, became a Partner in 1996 and retired from the firm in December 2005. Mr. Zeitlin serves as a member of the Harvard Business School Board of Dean's Advisors, and of the boards of the Nigeria Sovereign Investment Authority (where he is Chairman), Playwrights Horizons and Saint Ann's School. He is Chairman Emeritus of Amherst College and a Fellow at the Aspen Global Leadership Network, and formerly served on the boards of Milton Academy, Teach for America and Common Ground Community. Mr. Zeitlin also serves as the Chairman of the Board of Directors, Chair of the Governance and Nominations Committee and as a member of the Human Resources Committee of Tapestry, Inc. (f/k/a Coach, Inc.), a designer and marketer of premium handbags and accessories, and Chairman of the Board of Directors of VI Mining PLC. We believe Mr. Zeitlin's qualifications to serve on our Board of Directors include his substantial experience as a senior executive in a leading investment bank, as well as his extensive service in board capacities at numerous organizations.

Corporate Governance Matters and Meetings of the Board of Directors and Committees

The Board of Directors and management regularly review best practices in corporate governance and modify our corporate governance policies and practices as warranted. Our current best practices include:

Governance Highlights

Independence and Diversity	• Women represent 25% of non-executive directors; two female directors currently on the Board • 25% of the non-executive directors are non-U.S. citizens • Executive Chairman role separates the CEO and Chairman functions • All Board committees are composed exclusively of independent directors
Lead Independent Director	• Active Lead Independent Director with expansive duties • New appointment in 2015
Executive Sessions	• Non-executive directors regularly meet without management present, led by AMG's Lead Independent Director • Executive sessions include Board and committee annual self-assessments
Board Refreshment	• 40% of the directors joined the Board within last five years • New Lead Independent Director in 2015; Executive Chairman role established in 2018 • New chairs of all Board committees in the last four years • Average director age of 56 • Balanced mix of short- and long-tenured directors; average tenure of eight years • Long-tenured directors in leadership roles

No Overboarding	• The Nominating and Governance Committee assesses director time commitments in reviewing nominee candidates; directors must notify the committee before accepting board or committee seats at other for-profit companies • Currently three directors serve on the boards of other public companies, and none serves on more than one
Board Oversight of Risk Management and ESG Factors	• AMG's Board has principal responsibility for oversight of its risk management process and understanding the overall risk profile of the Company, including data security and privacy • Majority of directors have extensive background and experience in risk management • A cross-functional Sustainability Committee was formed in 2018, with oversight responsibility of our policies and operational controls of environmental, health and safety, and social risks
Minimum Equity Ownership Guidelines	• 10x annual base salary for AMG's CEO, 10x for AMG's President and CFO (increased in 2019 from 7x), and 7x annual base salary for all other NEOs • 5x annual base fees for non-executive directors • AMG's CEO and its President and CFO each holds shares of AMG stock representing >25x salary, significantly exceeding required levels
Board Self-Evaluation	• Board conducts an annual self-assessment process coordinated by AMG's Lead Independent Director, including individual director assessments • Nomination policies are adjusted to ensure that AMG's Board as a whole continues to reflect the appropriate mix of skills and experience, and considers diversity of background and experience, as well as ethnicity, gender and other forms of diversity
Accountability	• Directors are elected annually by a majority of votes cast (with a plurality standard for contested elections); directors re-elected by an average vote of 99% in 2018 • Each director is required to tender their resignation if he or she fails to receive a majority of votes in an uncontested election • 100% director attendance at Board meetings, and over 98% average attendance rate at Board and committee meetings, in 2018

	• Active stockholder engagement—2017-2018 outreach initiative to over 200 stockholders, representing over 90% of AMG's voting shares, including direct calls and in-person meetings
Succession Planning	• The Nominating and Governance Committee has primary responsibility for CEO and other key executive succession planning • In 2018, AMG announced that its Chairman and CEO had been diagnosed with ALS, and the Board initiated its long term succession plan; advance planning put the Board in a position to immediately provide continuity of leadership in a time of unexpected transition • Transition and succession planning activities are ongoing, as the Board continues to focus on implementing its long term succession plan, and on further developing and expanding the senior management team, to maintain a breadth and depth of talent to ensure that AMG is well positioned to continue to execute against its strategy
Director Orientation and Development	• Orientation and training programs for new directors; additional training for directors in leadership roles • Continuing education programs and presentations for all directors

Board of Directors: During 2018, the full Board of Directors met six times. Each incumbent member of the Board of Directors in 2018 attended 100% of the meetings of the full Board of Directors and at least 90% of the total number of meetings of (i) the Board of Directors and (ii) all standing committees of the Board of Directors on which such director served, with an average attendance rate at Board and committee meetings of over 98%. We do not have a formal policy regarding director attendance at our Annual Meeting of Stockholders. One director attended the 2018 Annual Meeting of Stockholders.

At least annually, the Board of Directors evaluates the independence of our directors in light of the standards established by NYSE. A majority of our Board of Directors must be independent within the meaning of NYSE listing standards. After its most recent evaluation of director independence, the Board of Directors affirmatively determined that seven of our ten current directors, Messrs. Byrne, Churchill, Earle, Ferguson, Ryan and Zeitlin, and Ms. Palandjian, are "independent" for purposes of NYSE listing standards. The Board of Directors made its determinations based upon individual evaluations of these directors' employment or board of directors affiliations, compensation history and any commercial, family or other relationships with the Company. There were no transactions between any director and the Company for the Board of Directors' consideration in determining the independence of any independent director. Members of the Board of Directors serve as directors, trustees or in similar capacities (but not as executive officers or employees) for non-profit organizations to which we may make charitable contributions from time to time. Contributions to these organizations did not exceed 1% of each of those organizations' annual consolidated gross revenues during their last completed fiscal years.

The standing committees of the Board of Directors are the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. Only independent directors within the meaning of NYSE listing standards serve on these committees. Other members of the Board of Directors may attend committee meetings from time to time at the invitation of the respective committee. Each committee acts pursuant to a written charter adopted by the respective committee. The members and chairs of each committee are set forth above in the table titled "Director Nominee Information: Committee Memberships," and a description of each committee is set forth below.

Audit Committee: Each of the members meets the independence standards applicable to audit committees under the Sarbanes Oxley Act of 2002 and NYSE listing standards and is an audit committee financial expert, as defined by the SEC. The Audit Committee's purpose is to assist the Board of Directors in oversight of our internal controls and financial statements and the audit process. The Audit Committee met eight times during 2018.

Compensation Committee: Each member meets the independence requirements applicable to compensation committees under NYSE listing standards. The Compensation Committee is responsible for overseeing our general compensation policies and establishing and reviewing the compensation plans and benefit programs applicable to our executive officers. In that capacity, the Compensation Committee also administers our incentive plans. The Compensation Committee met four times during 2018.

Nominating and Governance Committee: The Nominating and Governance Committee is primarily responsible for recommending criteria to the Board of Directors for Board and committee membership, identifying and evaluating director candidates, overseeing the annual self assessment of the Board of Directors and its committees and of the Chief Executive Officer, overseeing Chief Executive Officer and other key executive succession planning and maintaining our Corporate Governance Guidelines. The Nominating and Governance Committee met five times during 2018.

The Nominating and Governance Committee may solicit director candidate recommendations from a number of sources, including directors, executive officers and third party search firms. The Nominating and Governance Committee will consider for nomination any director candidates, including director candidates recommended by our stockholders, who are deemed qualified by the Nominating and Governance Committee in light of the qualifications and criteria for Board of Directors membership described below, or such other criteria as approved by the Board of Directors or a committee thereof from time to time. Stockholder recommendations must be submitted to the Nominating and Governance Committee in accordance with the requirements set forth in the By laws, including those discussed in the "Other Matters—Stockholder Proposals" section of this Proxy Statement, and any procedures established from time to time by the Nominating and Governance Committee. The Nominating and Governance Committee does not have a specific policy regarding the consideration of stockholder recommendations for director candidates and considers this appropriate because it evaluates recommendations without regard to their source. The Nominating and Governance Committee evaluates any potential conflicts of interest on a case by case basis, to the extent they may arise.

The Board of Directors believes that a diverse mix of perspectives and expertise enhances its overall effectiveness. When considering candidates for directorship, including nominees currently serving as directors of the Company, the Nominating and Governance Committee takes into account a number of factors, including the following qualifications: the nominee must have the highest personal and professional integrity and have demonstrated exceptional ability and judgment and the attributes necessary (in conjunction with the other members of the Board of Directors) to best serve the long term interests of the Company and its stockholders. In addition, the Nominating and Governance Committee reviews from time to time the skills and characteristics necessary and appropriate for directors in light of the then current composition of the Board of Directors, including the following factors:

Director Qualifications and Attributes

- Business and leadership experience, including experience managing and growing organizations worldwide
- Knowledge of the financial services industry and, in particular, the asset management industry
- Diversity—in particular, gender diversity, along with geographic, experiential and ethnic diversity
- Understanding of organizations, processes, strategy, risk management and other factors that promote growth
- Understanding of finance and financial reporting processes

In considering diversity, the Nominating and Governance Committee considers diversity of background and experience, as well as ethnicity, gender and other forms of diversity. The Nominating and Governance Committee recognizes the importance of gender diversity, in particular, as an important factor to consider when evaluating the composition of the Board of Directors. The Nominating and Governance Committee does not have a formal policy regarding diversity in identifying nominees for a directorship, but rather considers it among the various factors relevant to the consideration of any particular nominee. The Nominating and Governance Committee reviews our Corporate Governance Guidelines at least annually to ensure that we continue to meet best corporate governance practice standards.

The current Board of Directors comprises individuals with a substantial variety of skills and expertise, including with respect to investment management across the capital markets; real estate; private equity; international business; academia; and not for profit organizations. The Nominating and Governance Committee believes it is important to maintain a mix of experienced directors with a deep understanding of the Company and newer directors who bring a fresh perspective. The following are highlights on the composition of our current Board of Directors:

Board of Directors Composition

- Two directors are women, representing 25% of the non executive directors on the Board
- 25% of the non-executive directors are non-U.S. citizens

• 40% of the directors joined the Board within last five years; Average non-executive director tenure of eight years	• Average director age of 56
• New chairs of all Board committees in the last four years	• New Lead Independent Director in 2015
• Balanced mix of short- and long-tenured directors	• Long-tenured directors in leadership roles

Succession Planning: The Nominating and Governance Committee has primary responsibility for Chief Executive Officer and other key executive succession planning. Succession planning and executive development are fundamental components of the Board of Directors' governance responsibilities, and are regularly discussed by the Committee with management present as well as in executive sessions. This advance evaluation and planning put the Board of Directors in a position to immediately react to the developments in 2018 that led to the initiation of its long term succession plan. In May 2018, the Company announced that Sean M. Healey had been diagnosed with amyotrophic lateral sclerosis (a motor neuron disease otherwise known as ALS, or Lou Gehrig's disease). The Board of Directors immediately initiated its long term succession plan, with Nathaniel Dalton, the Company's then President and Chief Operating Officer, succeeding Mr. Healey as Chief Executive Officer and joining the Board of Directors, and Mr. Healey appointed as Executive Chairman. This was followed in early 2019 by the appointment of Jay C. Horgen, the Company's Chief Financial Officer, as President and the announcement that a new Chief Financial Officer, Thomas M. Wojcik, would be joining AMG from BlackRock, Inc.

The appointment of Mr. Dalton as Chief Executive Officer and Mr. Horgen as President, along with the retention of Mr. Healey in the Executive Chairman role, was an approach that the Board of Directors determined to be in the best interests of the Company and its stockholders, and provides continuity of leadership and draws on the strengths and experiences of the Company's most senior executives. The directors continue to serve as a source of strategic strength for the Company and for Mr. Dalton and Mr. Horgen in their new roles, bringing significant diversity in skills, experiences and perspectives.

2018 CEO Transition and Ongoing Succession Planning

New Executive Chairman Role

- For over 20 years, Mr. Healey's strategic vision and leadership have shaped AMG and driven its long-term success, and AMG continues to benefit from Mr. Healey's contributions through his new position as Executive Chairman

- The new Executive Chairman role, combined with a strong Lead Independent Director, supports a number of important objectives

- Retains Mr. Healey in a leadership role, keeping him actively involved in the development and oversight of AMG's strategy as he pursues treatment

- Provides continuity in the execution of AMG's business and strategy, as well as support for the senior management team

- Maintains continuity in Board governance, with Mr. Healey continuing to chair meetings of the Board and coordinate its agenda, in consultation with AMG's CEO, President and Lead Independent Director, and continuing to guide AMG's strategic direction

- Separates the Chairman and CEO functions, while retaining a Chairman who has unparalleled knowledge of AMG's business and operations and is a widely recognized leader in the asset management industry

- The total compensation of AMG's Executive Chairman declined 43% compared to 2017; significant relative reduction expected for the 2019 performance year, as the senior management team continues to evolve; Executive Chairman compensation structure on a forward basis will reflect (i) Mr. Healey's role as Executive Chairman for a full calendar year (as compared to 2018 when he served as CEO for part of the year), (ii) market comparisons for the role and (iii) award mix and levels that further the Committee's objectives of aligning compensation with stockholder value creation and retaining and motivating executives

Ongoing Transition and Succession Planning Activities and Continued Enhancement of Senior Team

- Nathaniel Dalton appointed as CEO in May 2018, with long tenure and a uniquely deep understanding of AMG's business

- Joined AMG in 1996, and has worked side-by-side with Mr. Healey for nearly 25 years as one of AMG's founders; appointed as COO of AMG in 2006 and President in 2011

- Responsible for AMG's Affiliate relationship management function for nearly 20 years and leading the development of AMG's centralized global distribution function from its earliest stages, with close involvment in strategic decisions and execution throughout AMG's history

- Provides continuity in the execution of AMG's overall strategy, which is to be the partner of choice to the world's most highly-regarded boutique investment management firms, and a global leader in asset management

- Jay C. Horgen appointed as President in February 2019, in an expanding role as part of the Board's long term succession plan

- Promotion reflects the continuing evolution of Mr. Horgen's responsibility set and his increasingly broad leadership role at AMG, as well as his central and significant role in supporting Mr. Healey and Mr. Dalton in managing the business

- 25-year focus on the asset management business and a long and successful tenure at AMG—joined AMG in 2007 to oversee New Investments, directly overseeing eight Affiliate investments; promoted to CFO in 2011 and built out the finance department as AMG became a more global company operating in an increasingly complex regulatory environment

- Broadened role involves working closely with the Head of Global Distribution to execute AMG's growth strategy across its distribution platforms, as well as continuing to oversee AMG's finance and capital management functions and continuing to be involved in building relationships with prospective Affiliates

• Additional senior management team transition and succession planning activities are ongoing, with several senior members evolving into new roles and additional members joining the team

- In March 2019, AMG announced the appointment of Thomas M. Wojcik as its next CFO; Mr. Wojcik will join AMG in April 2019 and transition to CFO no later than the announcement of AMG's earnings for the second quarter of 2019; he joins AMG from BlackRock, Inc., where he most recently served as Managing Director and Chief Financial Officer for Europe, Middle East, and Africa (EMEA), Head of EMEA Strategy, and Global Head of Investor Relations, and brings distinctive industry experience as an investor, operator and strategic leader

- Other senior promotions include Alexandra Lynn, who joined AMG in 2009, to Chief Administrative Officer, and John Erickson, who joined AMG in 2014, to taking sole responsibility for AMG's Affiliate relationship management as Executive Vice President, Head of Affiliate Development

• The Board continues to focus on implementing its long term succession plan, and on further developing and expanding the senior management team, to maintain a breadth and depth of talent to ensure that AMG is well positioned to continue to execute against its strategy

Board Size: The Nominating and Governance Committee assesses the size and composition of the Board of Directors each year. Consistent with our Corporate Governance Guidelines, the Nominating and Governance Committee believes that our Board of Directors’ current size of ten is appropriate, given the size and complexity of the Company and the markets in which we operate.

Executive Sessions of Non Executive Directors: Our non executive directors regularly meet in scheduled executive sessions without management present. In accordance with the charter of the Nominating and Governance Committee and the By laws, Mr. Ryan, the Chair of the Nominating and Governance Committee, also serves as the Lead Independent Director, responsible for calling and chairing the executive sessions, including during the annual Board of Directors offsite, and communicating with the Chairman of the Board of Directors and the Company’s Chief Executive Officer.

Board and Committee Self Assessments and Individual Director Assessments: We recognize the critical role that Board of Directors and committee evaluations play in ensuring the effective functioning of our Board of Directors, including in assessing candidates for directorship. To this end, the Lead Independent Director, supported by our Nominating and Governance Committee, oversees the annual self assessment of the Board of Directors and of each committee of the Board of Directors. Directors assess performance and consider various structural and procedural considerations, including the annual selection process for director nominees and communications and interactions with management generally. The Nominating and Governance Committee periodically reviews the format of the Board of Directors and committee self assessment processes to ensure that actionable feedback is solicited on the operation of the Board of Directors and director performance. The Nominating and Governance Committee also oversees annual individual director assessments as part of the recommendation process for director nominees. The table set forth below provides a general overview of the annual self assessment and director assessment processes.

Board and Committee Self-Assessments and Individual Director Assessments	
Questionnaire	• Evaluation questionnaire solicits director feedback on a variety of procedural and substantive topics
Executive Session	• Executive session discussion of Board and committee self-assessments led by the Lead Independent Director
Individual Director Assessments	• Individual director assessments support an annual evaluation of the Board’s composition to ensure that our Board as a whole continues to reflect the appropriate mix of skills and experience

Board Summary

	• Summary of Board and committee self-assessments results presented by the Lead Independent Director, followed by a discussion of the full Board
Feedback Incorporated	• Policies and practices updated as appropriate, as a result of director feedback

Chief Executive Officer Evaluation: The Lead Independent Director oversees an annual performance evaluation of our Chief Executive Officer. As part of this assessment, the Lead Independent Director solicits director feedback on a variety of performance considerations. The Lead Independent Director then synthesizes the directors' feedback and discusses the results with our Chief Executive Officer in a one on one meeting. The Lead Independent Director reports on the results of the evaluation at an executive session of the Board of Directors.

Director On Boarding and Training: When a new non executive director joins the Board of Directors, we provide an orientation program that includes personal briefings by senior management on the Company's operations, strategic plans, financial statements, governance, and key policies and practices. New directors also undergo in depth training on the work of each committee of the Board of Directors. Throughout their tenure on the Board of Directors, each director is expected to maintain the necessary knowledge and information to perform his or her responsibilities as a director. To assist the directors in understanding the Company and its industry and maintaining the level of expertise required for directors, the Company may, from time to time, offer Company sponsored continuing education programs or presentations, including sessions on select topics during the annual Board of Directors offsite. Additional training is also provided when a director assumes a leadership role, such as becoming the chair of a committee.

Leadership Structure: The Board of Directors currently separates the role of Chairman of the Board of Directors from the role of Chief Executive Officer, through the position of Executive Chairman, established in 2018. This leadership structure is further enhanced by the active involvement of the Lead Independent Director. The Company does not have a fixed policy with respect to the separation of the offices of the Chairman of the Board and Chief Executive Officer, but regularly reviews the structure and believes that the Executive Chairman role, together with a strong Lead Independent Director, is an appropriate and effective leadership structure for the Company at this time. The appointment of Mr. Healey as Executive Chairman retains an experienced Chairman who has unparalleled knowledge of AMG’s business and operations and is a widely recognized leader in the asset management industry. In this role, Mr. Healey continues to chair meetings of the Board of Directors and coordinate the agenda, in consultation with our Lead Independent Director and our Chief Executive Officer, and continues to guide the Company’s strategic direction.

The Lead Independent Director position provides for effective checks and balances to ensure the exercise of independent judgment by the Board of Directors and the ability of the non executive directors to work effectively in the board setting. The Company initiated the Lead Independent Director position in 2004, and Mr. Ryan assumed the role in February 2015 and continues to serve as the Company’s Lead Independent Director. Mr. Ryan was selected as Lead Independent Director given his excellent qualifications, including his extensive executive management experience, particularly in previous chief executive officer roles at several public and private companies, as well as his current role as Executive Chairman of Press Ganey Holdings. Given Mr. Ryan’s service to our Board of Directors for over a decade, including service on all of the committees and as chair of several committees during his tenure, the Board of Directors believes that his extensive knowledge (and participation in the execution) of the Company’s corporate strategy over the long term, along with his executive management experience outside of AMG, position him as an effective and strong Lead Independent Director. The Lead Independent Director’s principal responsibilities include: serving as a key source of communication between the non executive directors, the Executive Chairman and the Chief Executive Officer; ensuring the flow of appropriate information to and among non executive directors; leading, with the assistance of the Nominating and Governance Committee, the Board of Directors’ annual self assessment process and annual performance evaluation of the Chief Executive Officer; and coordinating the agenda for and leading executive sessions and meetings of the non executive directors.

Lead Independent Director Responsibilities

- Board leadership: Provides leadership to the Board and to the non-executive directors, including in executive sessions
- Board governance processes: In coordination with the Nominating and Governance Committee, guides the Board’s governance processes, including leading the annual Board and committee self-assessments
- Liaison between Chairman and non-executive directors: Regularly meets with the Chairman and serves as liaison between the Executive Chairman, the CEO and the non-executive directors
- Board discussion items: Works with the Chairman to propose major discussion items for the Board’s approval
- Leadership of executive sessions: Leads quarterly executive sessions of the Board
- CEO evaluation: Leads the annual performance evaluation of the CEO
- Additional executive sessions: May call additional meetings of the non-executive directors as needed
- Stockholder communications: Available for direct communication with AMG’s stockholders

The Board of Directors will continue to review its leadership structure, and although there are no current plans to do so, the Board of Directors may change its structure in the future if it believes that doing so would be in the best interests of the Company and its stockholders.

Risk Oversight: It is a key responsibility of our Executive Chairman, our Chief Executive Officer, our President, Chief Financial Officer and Treasurer, our General Counsel and other members of our senior management team to identify, assess and manage the Company's exposure to risk. The Board of Directors plays an important role in overseeing management's performance of these functions. The Board of Directors has approved the charter of the Audit Committee, which provides that one of the primary responsibilities of the Audit Committee is the discussion of the Company's financial risks and steps management has taken to monitor and control such risks, including with respect to risk assessment and risk management policies. The Audit Committee regularly discusses with management and the Company's independent auditors the Company's risk assessment and risk management processes, including major risk exposures, risk mitigants, and the design and effectiveness of the Company's processes and controls to prevent and detect fraudulent activity. Furthermore, the Audit Committee and the Board of Directors as a whole receive regular reports from management and our independent auditors on prevailing material risks and the actions being taken to mitigate them, including reports regarding the Company's business and operations. Management also reports to the Audit Committee and the Board of Directors regarding enhancements made to our risk management processes and controls in light of evolving market, business, regulatory and other conditions, including those related to environmental, social and governance ("ESG") factors, including privacy and data security.

Corporate Environmental, Social and Governance Responsibility: We believe that sound corporate citizenship and attention to governance and environmental principles are essential to our success and that of our Affiliates. We are committed to operating with integrity, contributing to the local communities surrounding our global offices, promoting diversity and inclusion, developing our employees and being thoughtful stewards of natural resources. We are also focused on the security of our data and safeguarding our clients' privacy. Our Board of Directors provides oversight of these ESG topics, and is committed to supporting the Company's efforts to operate as a sound corporate citizen. We have a cross functional Sustainability Committee with oversight responsibility of our policies and operational controls of environmental, health and safety, and social risks. The Sustainability Committee includes members of our executive management team and reports to the Board of Directors at least annually. We believe that an integrated approach to business strategy, corporate governance and corporate citizenship creates long term value. The following summary highlights certain of our policies and initiatives in these areas. To learn more, please see the "Responsibility" section of our website at www.amg.com/responsibility.html.

Environmental, Social and Governance (ESG) Highlights

Work Environment	• Equal employment opportunity hiring practices, policies and management of employees • Anti-harassment policy that prohibits hostility or aversion towards individuals in protected categories, and prohibits sexual harassment in any form, and details how to report and respond to harassment issues and strictly prohibits retaliation against any employee for reporting harassment
Diversity and Inclusion	• Committed to fostering and promoting an inclusive and globally diverse work environment • Formal policies that forbid discrimination based on protected classifications • Two directors are female, representing 25% of the non-executive members of the Board
Privacy and Data Security	• Maintaining privacy policies, management oversight, accountability structures and technology design processes to protect privacy and personal data • Data security program is governed by a senior management committee that meets regularly and reports to the Board at least annually
Community Investment	• AMG and The AMG Charitable Foundation both donate to a variety of non-profit organizations and community programs globally • Company-wide campaigns support many charities in local communities surrounding AMG office locations around the world, and AMG encourages employees to volunteer for and serve on boards of non-profit organizations and supports employee gift-matching to eligible non-profit institutions

	• A significant charitable gift in 2018 established The Sean M. Healey and AMG Center for ALS at Mass General
Business Conduct and Ethics Codes	• A strong corporate culture that promotes the highest standards of ethics and compliance for AMG's business; the majority of AMG's directors have an extensive background and experience in risk management • Code of Business Conduct and Ethics sets forth principles to guide employee and director conduct
Anti-Bribery and Corruption Policies	• Policies on political contributions and other restricted payments require full compliance with all applicable political contribution and anticorruption laws • Whistleblower hotline for confidential reporting of any suspected violations
Business Continuity	• Business continuity policies to ensure the safety of AMG's personnel, facilities and critical business functions in case of natural disasters
Responsible Investing	• Eleven Affiliates are signatories to the United Nations Principles for Responsible Investment (UNPRI) and five are signatories to the UK Stewardship Code • AMG's U.S. retail distribution platform was identified as one of the top three "Most ESG Friendly Fund Shops" in 2018, with 65% of its actively-managed equity fund assets in products with "high" or "above average" ESG scores • Environmental sustainability factors are incorporated into AMG's assessment process for prospective new Affiliates
Environment	• During 2018, completed AMG's first inventory and secured third-party attestation of AMG's GhG Emissions and participated in the CDP Climate Change Information Request • Recently transitioned to renewable energy sources at multiple office locations • Eliminated single-use plastic water bottles and straws from AMG's principal offices • Programs to promote the procurement of products and materials which have high concentrations of recycled materials

Governance	• Formal weighting of ESG factors added to compensation determination process • Strong focus on corporate governance since AMG's inception, with best practices in corporate governance (see Governance Highlights on page 17)

In 2018, in furtherance of our ongoing commitment to serving our local communities through philanthropy, the Company made a $20 million one time matching gift to advance scientific research in amyotrophic lateral sclerosis (ALS) and develop effective treatments for people with ALS, by helping to establish The Sean M. Healey and AMG Center for ALS at Mass General. This matching gift honored Mr. Healey, our long time leader, and initiated a broader fundraising effort including a grant from The AMG Charitable Foundation, as well as gifts from Mr. Healey, other AMG employees, partners, and other individuals and organizations. The Healey Center will provide meaningful support to research professionals and dedicated physician scientists working together to find a cure for ALS and deliver personalized care and greatly increased access to therapies for people with the disease, benefiting people with ALS both locally and globally. This gift reflects AMG's commitment to supporting non-profit organizations in our communities and to fostering a culture of philanthropy and sound corporate citizenship among our employees and peers.

Related Person Transaction Oversight: Pursuant to its charter, the Audit Committee is responsible for reviewing any related person transaction identified by management or other directors and, in accordance with this authority, has determined that there have been no related person transactions requiring disclosure under Item 404(a) of Regulation S K other than those discussed below under the caption "Other Matters—Related Person Transactions."

Policies and Procedures Regarding Related Person Transactions: Under the Company's written policy regarding related person transactions, the Audit Committee must approve all "related person transactions." A related person transaction is any transaction that is reportable by the Company under paragraph (a) of Item 404 of Regulation S K in which the Company or one of its wholly owned subsidiaries or majority owned Affiliates is or will be a participant and the amount involved exceeds $120,000 and in which any director, nominee for director, executive officer, any person known to the Company to be a beneficial owner of 5% or more of its voting securities or an immediate family member of any of the foregoing has or will have a direct or indirect material interest. Pursuant to the policy, potential related person transactions are reported to the General Counsel who evaluates the potential transaction to determine whether it is a potential related person transaction. If it is, the General Counsel reports the potential transaction to the Audit Committee for review. The policy also authorizes the Chair of the Audit Committee to ratify, rescind or take any such other action required with respect to any related person transaction not previously approved or ratified under the policy that comes to the General Counsel's attention. The policy sets forth the standards of review to be considered in deciding whether to approve or ratify related person transactions.

In addition, the Audit Committee has considered and adopted standing pre approvals under the policy for limited transactions with related persons. Pre approved transactions include (i) employment as an executive officer, if the related compensation is approved (or recommended to the Board of Directors for approval) by the Compensation Committee; (ii) any compensation paid to a director if the compensation is consistent with the Company's director compensation policies and is required to be reported in the Company's proxy statement under applicable compensation disclosure requirements; (iii) any transaction with another company at which a related person's only relationship is as an employee (other than an executive officer) or director or beneficial owner of less than 10% of that company's equity, if the aggregate amount involved does not exceed the greater of $1,000,000 or 2% of that company's total annual revenue; (iv) any charitable contribution, grant or endowment by the Company or the Company's charitable foundation to a charitable organization, foundation or university at which a related person's only relationship is as an employee (other than an executive officer), if the aggregate amount involved does not exceed the greater of $1,000,000 or 2% of such charitable organization's total annual receipts; (v) any transaction where the related person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis, such as dividends; (vi) any transaction involving a related person where the rates or charges involved are determined by competitive bids; and (vii) any service provided by the Company to any related person, provided that such service is in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable services provided to non related persons.

Prohibition Against Hedging Transactions: Pursuant to the Company's insider trading policy, all directors, officers and employees of the Company and its subsidiaries, including spouses and immediate family members of such persons, are prohibited from engaging in short sales or any other form of hedging transaction involving Company securities. This prohibition also applies to any other economically equivalent transaction by any such individuals that would result in a net short exposure to the Company. We believe our anti hedging policy further aligns our directors' and our officers' interests with those of our stockholders.

Compensation Committee Interlocks and Insider Participation: The members of the Compensation Committee during fiscal year 2018 include those individuals set forth above under "Compensation Committee." No person who served as a member of the Compensation Committee during 2018 has been an officer or employee of the Company or has been involved in any related person transactions. No executive officer of the Company serves on the compensation committee or board of directors of another company that has an executive officer that serves (or served during 2018) on the Company's Compensation Committee or Board of Directors.

Engagement with Our Stockholders: Since our inception as a public company, we have maintained an active engagement with our stockholders, meeting with them extensively throughout the year as part of our investor outreach, and we have a history of integrating stockholder feedback into our corporate governance practices and our executive compensation program design. In 2018 and 2019 year to date, we held over 200 meetings with our stockholders, including a majority of our top 30 stockholders, to discuss the Company's performance and prospects, as well as trends affecting the investment management industry. We also continued our specific outreach effort with our institutional investors to discuss corporate governance topics affecting the Company as well as our philosophy and practices relating to our executive compensation program. This involved discussions with the corporate governance teams at our largest stockholders, as well as many others, representing in aggregate over one-third of our voting shares.

Stockholder Engagement		
Participants	Types of Engagement	Topics Covered
• Members of the Board of Directors	• Investor conferences	• Strategic and financial performance and goals, and business initiatives
• Executive Management	• Earnings conference calls	• Board composition: qualifications, skills and leadership structure
• Investor Relations	• One on one Investor conference calls and one on one Investor meetings	• Executive compensation policies and design
	• Outreach, calls and meetings with Investors' corporate governance departments	• Regulatory considerations
	• Annual votes on director elections and Say on Pay	• Risk management, including cybersecurity
		• Corporate governance trends, including ESG considerations

Stockholder and Interested Party Communications: Stockholders and other interested parties may communicate directly with the Board of Directors and the Lead Independent Director as follows:

Stockholder Communications	
Board of Directors	David M. Billings

	Any communications to the full Board of Directors may be directed to Mr. Billings, General Counsel and Secretary of the Company, who would discuss as appropriate with the Board of Directors	Affiliated Managers Group, Inc. 777 South Flagler Drive West Palm Beach, Florida 33401-6152
Lead Independent Director	A stockholder or other interested party may communicate directly with Mr. Ryan, the Lead Independent Director, by sending a confidential letter addressed to his attention	Patrick T. Ryan, Director c/o Affiliated Managers Group, Inc. 777 South Flagler Drive West Palm Beach, Florida 33401-6152

Availability of Corporate Governance Documents: We maintain a Company website that includes, among other items, the Corporate Governance Guidelines; the Code of Business Conduct and Ethics applicable to all directors, officers and employees; the Code of Ethics applicable to our Chief Executive Officer, President and Chief Financial Officer, and other senior financial officers; and the charters for the Audit, Compensation, and Nominating and Governance Committees. This information is available on the "Investor Relations" section of our website, www.amg.com, under "Corporate Governance—Policies, Procedures and Guidelines," or for the Committee charters under "Corporate Governance—Board of Directors," but is not incorporated by reference into this Proxy Statement. If we make any substantive amendment to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics to certain executive officers, we are obligated to disclose the nature of such amendment or waiver, the name of the person to whom any waiver was granted, and the date of waiver on our website or in a report on Form 8 K.

Information Regarding Executive Officers of the Company

The name, age (as of April 1, 2019) and positions of each of our executive officers, as well as a description of their business experience and past employment during at least the last five years, are set forth below:

Executive Officer Information

Name	Age	Position	Biographical Information
Sean M. Healey	57	Executive Chairman	For the biographical information of Mr. Healey, see “Information Regarding the Nominees” above.
Nathaniel Dalton	52	Chief Executive Officer	For the biographical information of Mr. Dalton, see “Information Regarding the Nominees” above.
Jay C. Horgen	48	President, Chief Financial Officer and Treasurer	Mr. Horgen has served as President of the Company since February 2019 and Chief Financial Officer and Treasurer since May 2011. Previously, Mr. Horgen served as Executive Vice President of the Company in New Investments. Prior to joining AMG in 2007, Mr. Horgen was a founder and Managing Director of Eastside Partners, a private equity firm. Prior to that, Mr. Horgen served as a Managing Director in the Financial Institutions Group at Merrill Lynch, Pierce, Fenner & Smith Incorporated. From 1993 to 2000, he worked as an investment banker in the Financial Institutions Group at Goldman, Sachs & Co. Mr. Horgen received a B.A. from Yale University.
Hugh P. B. Cutler	46	Executive Vice President and Head of Global Distribution	Mr. Cutler joined the Company in March of 2017 and serves as Executive Vice President and Head of Global Distribution. Mr. Cutler has over twenty years of experience in leading multi-region sales and marketing organizations across investment management firms, including Barclays Global Investors Ltd, Legal & General Investment Management Ltd., and Och-Ziff Capital Management Group LLC. In these roles, he had leadership responsibilities spanning across a broad range of strategies, products, client types and geographies. Mr. Cutler began his career as a consultant and actuary at Towers Perrin. Mr. Cutler is a Fellow of the Institute of Actuaries in the United Kingdom and received a B.Sc. in Mathematics with First Class Honours from Bristol University.
David M. Billings	56	General Counsel and Secretary	Mr. Billings has served as General Counsel and Secretary of the Company since June 2014. Prior to joining AMG, Mr. Billings was a partner at Akin Gump Strauss Hauer & Feld LLP, where he led the firm’s investment funds practice in London. Mr. Billings received a J.D. from Harvard Law School and a B.A. with high honors from the University of Virginia.

Compensation Discussion and Analysis

Executive Summary

This section provides discussion and analysis of our executive compensation program, including the elements of executive compensation, the 2018 compensation results, the rationale and process for reaching these results, and our compensation governance policies. The compensation results discussed will be those of our Chief Executive Officer, Nathaniel Dalton, and our other named executive officers.

The Compensation Committee designs the executive compensation program to align management incentives with long term stockholder interests. The executive compensation structure reflects this philosophy, with the substantial majority of total annual compensation in the form of variable performance based incentive awards. The significant majority of these variable performance based incentive awards are in the form of equity incentive awards, with delivery of more than half of these awards tied to the achievement of rigorous pre established performance targets. The Committee's compensation determinations for 2018 reflected its long term philosophy of aligning pay with performance, and relied on formal assessments of AMG's performance and accomplishments for the year and over the long term, on both a relative and absolute basis (the "Performance Assessments").

In conducting the Performance Assessments, the Committee recognized the Company's performance for both the year and over the long term. These results occurred against the backdrop of a challenging environment for active asset managers. Despite our strong long term stock performance, the Committee recognized the stock price decrease for 2018 and over the trailing 3 and 5 year periods, reflecting elevated market volatility, particularly in the fourth quarter of 2018, and financial and operating performance that was impacted by the broadly negative returns across asset classes. Notwithstanding these challenges, the Committee also recognized the continued focus on building relationships with prospective new Affiliates, the formation of new strategic partnerships to enhance AMG's product set and expand distribution capabilities, including the partnership with Nordea Asset Management to deepen coverage of European and Latin American clients, and AMG's new office in Japan. The Committee further recognized the management team's active pursuit of opportunities to improve efficiencies and reduce Company expenses (including both operating expenses and interest expense, lowering AMG's cost of capital), while also working with a number of Affiliates to assist in aligning their business infrastructures with foreseeable opportunities and against evolving industry dynamics. Alongside these strategic and operational accomplishments, the senior management team also successfully executed on the Board of Directors' long term succession plan, following an unexpected CEO transition during the year. As a result of this transition, Mr. Healey, Mr. Dalton and Mr. Horgen all moved into new positions, which the Compensation Committee took into account in the final compensation determinations for the year. Recognizing the Company's stock performance and its financial results over the year, total 2018 compensation for our named executive officers declined relative to the prior year—consistent with our compensation program philosophy of aligning pay with long term performance. This included a 44% decrease in the variable performance based incentive compensation ("Performance Based Incentive Compensation") granted to our Chief Executive Officer, as well as a decrease in the combined total compensation of our Executive Chairman and our Chief Executive Officer (each of whom performed in the Chief Executive Officer role during a portion of 2018) of 29% and a decrease in the combined total compensation of our named executive officers as a group of more than 20%.

Throughout this Compensation Discussion and Analysis we discuss the 2018 compensation results for our named executive officers, which include equity awards granted in February 2019 in recognition of 2018 performance, and exclude equity awards granted in January 2018 in recognition of 2017 performance, to better demonstrate how we evaluate and compensate our named executive officers. These amounts differ from the compensation reported in the Summary Compensation Table because SEC rules governing the reporting of compensation in that table require equity awards to be reported in the fiscal year of grant, even where the awards are intended to compensate executives for performance in a prior year. Please refer to the "Executive Compensation Tables" and "Equity Grant Policy" sections of this Proxy Statement for additional information.

Overview of Our Executive Compensation Program Philosophy

The Compensation Committee has structured our executive compensation program over the long term to further several core objectives, which include the following:

- Attracting, retaining and motivating key members of senior management
- Closely aligning executive compensation with our performance and accomplishments for the year and over the long term

- Focusing executives on long term performance with equity incentive awards, with a majority of these awards subject to rigorous pre established performance targets measured over a forward multi year period
- Compensating executives based on a combination of Company performance—on both a relative and absolute basis—and individual performance
- Avoiding incentives that might encourage excessive risk taking
- Routinely reviewing and evolving our compensation program to incorporate feedback from stockholders and best practices into our executive compensation program design

These objectives inform the design of our compensation program, which includes the following components:

- Awarding fixed and variable Performance Based Incentive Compensation in an appropriate mix to align management incentives with stockholder value creation
- Performing market comparisons to ensure that our compensation is in line with that of our Peer Group
- Implementing strong compensation governance practices within a robust corporate governance framework

Stockholder and Proxy Advisory Firm Feedback and Surveys

To ensure that our Board of Directors, including the Compensation Committee, is apprised of stockholder and proxy advisory firm views, senior management regularly meets with and surveys these constituents regarding our executive compensation program and governance matters. As part of this process, we conduct regular outreach initiatives with the corporate governance teams at our largest stockholders, as well as representatives from major proxy advisory firms.

At our last Annual Meeting, over 94% of stockholder votes cast were in favor of our named executive officer compensation, reflecting strong support for our executive compensation program design and its demonstrated linkage of pay for performance. This high level of support followed a comprehensive outreach to stockholders to discuss a broad range of topics, including executive compensation and governance matters. During this outreach, senior management attended in person meetings with top institutional investors and major proxy advisory firms, in several of which our Compensation Committee Chair, Jide Zeitlin, participated. The Compensation Committee considered the feedback from this outreach, and implemented meaningful enhancements to our compensation program in 2017.

This engagement continued after our 2018 Annual Meeting, and during that ongoing process stockholders expressed support for the 2017 enhancements, including the following:

- Significantly increased the proportion of performance based equity awards to 60% of our CEO's total equity incentive awards, with the result that performance conditioned equity is now the largest component of total CEO compensation
- Revised the weightings of the performance scorecard categories, to increase the quantitative financial and stock performance factors and reduce the weighting of the more subjective strategic factors
- Resolved performance award "re testing" concerns through the use of a single operating metric hurdle measured over a single three year period
- Implemented a new return on equity metric for performance awards, to better align management incentives with the strategic goals of both growing earnings and effectively managing capital
- Significantly expanded our Performance Assessments disclosure, including disclosure of the scores for each scorecard category as well as the financial targets used to determine formulaic cash bonus awards
- Established distinct caps on Performance Based Incentive Compensation for each NEO, in addition to the CEO, and lowered the existing cap on CEO Performance Based Incentive Compensation by 20%

Following our 2018 Annual Meeting, we continued our engagement with stockholders and proxy advisory firms on our executive compensation program and governance practices. This outreach included meetings with institutional investors over the course of the year, as well as multiple in person meetings with major proxy advisory firms. Our Compensation Committee Chair, Jide Zeitlin, once again attended multiple meetings with top institutional investors and a major proxy advisory firm. The collective feedback from this outreach was taken into account and is reflected in further enhancements made to our corporate governance practices and compensation program design this year, as well as in the Committee's final compensation determinations.

2018 Stockholder Comments and Governance and Compensation Program Design Enhancements

Stockholder Comments		AMG Response
Comment #1	Maximum award values remain high	Total 2018 CEO compensation declined 43% compared to 2017, which followed declines in each of the last five years for an overall reduction of approximately 65% since 2013, demonstrating consistent and ongoing attention to this concern and the impact of compensation program enhancements The total compensation of AMG's Executive Chairman declined 43% compared to 2017; significant relative reduction expected for the 2019 performance year, as the senior management team continues to evolve; Executive Chairman compensation structure on a forward basis will reflect (i) Mr. Healey's role as Executive Chairman for a full calendar year (as compared to 2018 when he served as CEO for part of the year), (ii) market comparisons for the role and (iii) award mix and levels that further the Committee's objectives of aligning compensation with stockholder value creation and retaining and motivating executives Aggregate total compensation of AMG's Executive Chairman and its CEO (who each performed in the CEO role during a portion of 2018) declined 29%; total NEO compensation as a group declined more than 20%
Comment #2	CEO compensation caps are high	Significantly reduced the existing caps on Performance Based Incentive Compensation for AMG's CEO, including lowering the cap on CEO Performance Based Incentive Compensation from $20.0 million to $17.5 million and reducing the separate cash bonus cap from $4.5 million to $4.0 million—a 12.5% reduction on the overall cap; reflects a 30% reduction of the cap on Performance Based Incentive Compensation for AMG's CEO over the last two years
Comment #3	Performance Assessments should be more formulaic	Performance Assessment scorecards have been enhanced to add disclosure of sub category weightings, for both the Long Term and Short Term Performance Assessments Removed the supplemental performance metrics from the Short Term Incentive Compensation scorecard; scoring in the financial performance category is now entirely linked to pre established disclosed financial performance targets Expanded disclosure on the more subjective qualitative business and strategic factors considered in the analysis, to increase transparency and display the formulaic nature of the process
Comment #4	Executives should hold significantly larger equity stakes	Equity Ownership Guidelines were revised in 2019 to increase the holding requirement for AMG's President and CFO from 7x to 10x his annual base salary Equity Ownership Guidelines require AMG's CEO and its President and CFO to each hold 10x their annual base salary, which are higher than industry average requirements; each holds shares of AMG stock representing >25x their respective salaries, significantly exceeding the required levels

		Ongoing consideration of potential policies and programs to promote further accumulation and retention of equity stakes in AMG by AMG's senior management team, to further align management incentives with stockholder value creation
Comment #5	ESG activities should factor into incentive award decisions	Formal weighting of ESG factors added to both the Short Term and Long Term Performance Assessment scorecards
Comment #6	Greater attention should be paid to ESG matters	During 2018, AMG made significant progress in implementing a number of key ESG initiatives, including: - new policies and practices to promote an inclusive and diverse work environment - completed the first inventory and secured third party attestation of AMG's GhG Emissions and participated in the CDP Climate Change Information Request - transitioned to renewable energy sources at multiple office locations - eliminated single use plastic water bottles and straws from AMG's principal offices - further focused efforts to promote procurement of products and materials which have high concentrations of recycled materials AMG and The AMG Charitable Foundation both donate to a variety of non profit organizations and community programs globally, and in 2018 approved a significant charitable gift to establish The Sean M. Healey and AMG Center for ALS at Mass General

The Compensation Committee recognizes that in enhancing the compensation program, stockholder input is critical for ensuring the continued alignment of management and stockholder interests, and the Committee promotes an active process of stockholder engagement throughout the year. Our management team continues to communicate with our largest stockholders and proxy advisory firms, and to follow developments in their methodologies and analyses to ensure that the Company and our Board of Directors remain apprised of current and potential future developments.

Named Executive Officer Annual Compensation Determination Process

The Compensation Committee's annual compensation process begins during Committee meetings early in the fiscal year and continues throughout the year, with periodic reviews of the Company's financial performance on both a relative and absolute basis and progress on various strategic objectives, as well as discussions regarding the principles and continuing effectiveness of the compensation program. The Committee, including, in particular, the Committee Chair, meets with its independent outside executive compensation consulting firm, Thomas E. Shea & Associates, LLC (our "Compensation Consultant"), at key points throughout the year to consider the compensation of the peer companies set forth in the "Market and Industry Comparison" section of this Proxy Statement (our "Peer Group") and potential structures for incentive awards. The Committee considers the components of the compensation program (including the mix of compensation elements, market level compensation and our compensation governance practices) in analyzing the extent to which the program furthers the Committee's objectives of aligning compensation with stockholder value creation while retaining and motivating our executives. As discussed above, the Committee also seeks feedback from stockholders and proxy advisory firms in an ongoing engagement cycle, and takes that feedback into account in both enhancing the compensation program design, as well as in the Committee's final compensation determinations for the year.

As part of this process, our Compensation Consultant regularly provides the Compensation Committee with comprehensive data, including Peer Group equity incentive awards and total direct compensation, along with analyses of the Company's historical pay levels relative to our Peer Group. Our Compensation Consultant also provides projections regarding general executive compensation market trends among other S&P 500® companies, as well as the universe of financial institutions that are relevant competitors for executive talent.

Following year end, the Compensation Committee conducts comprehensive Performance Assessments of the Company's accomplishments during the year and over the long term, on both an absolute basis and relative to our Peer Group, and considers the individual contributions of each of the members of our senior management team. As part of the continuous evolution of our compensation program and in response to the stockholder engagement process discussed above, the Committee made further enhancements this year to further evolve our executive compensation program design. In January 2019, based upon the Performance Assessments, the Compensation Committee made final performance based incentive cash and equity award determinations for our named executive officers.

Exhibit 1

Named Executive Officer Compensation Determination Approach

The Compensation Committee designs the executive compensation program to align pay with performance. The following Exhibit provides an overview of our compensation structure, which was used to determine 2018 salary and Performance Based Incentive Compensation ("Total Direct Compensation") for our Chief Executive Officer and also provided the basis for determining the Total Direct Compensation of our other named executive officers. This structure reflects the Committee's executive compensation program philosophy of closely aligning management incentives with long term stockholder interests, with the substantial majority of Total Direct Compensation in the form of variable performance based incentive awards, the significant majority of which are in the form of equity incentive awards, and with delivery of more than half of these equity incentive awards tied to the achievement of rigorous pre established performance targets. Consistent with our compensation program approach of aligning pay with performance, our most senior named executive officers typically receive the closest alignment with the targeted ranges.

Exhibit 2

- Base salary is a small portion of Total Direct Compensation
- All compensation other than base salary is variable and performance based, determined using the Incentive Pool and awarded in amounts based on formal Performance Assessments
- Equity incentive awards with rigorous performance conditions are the largest component of total NEO compensation
- Cash is a significantly smaller portion of Total Direct Compensation than equity incentive awards

The following is a summary of the key features of the Compensation Committee's compensation determination process, including a significant number of enhancements made over the last several years in response to stockholder and proxy advisory firm feedback and to further support our compensation program philosophy of aligning pay with performance:

- Continued use of a performance based incentive pool as the basis for determining all variable Performance Based Incentive Compensation award amounts: The performance based incentive pool (the "Incentive Pool") serves as an overall cap on aggregate Performance Based Incentive Compensation for our named executive officers. The Incentive Pool was established as a percentage of Economic net income, a key operating metric (calculated on a pre tax, pre compensation basis, "Adjusted Economic net income"). The Committee used the Incentive Pool as the basis for determining all Performance Based Incentive Compensation, including cash bonuses and all equity awards, to align the total amount of Performance Based Incentive Compensation with Company performance.
- Reduced the annual cap on Performance Based Incentive Compensation and the separate annual cash bonus cap for our Chief Executive Officer by 12.5%: The Compensation Committee applied an annual cap on our Chief Executive Officer's Performance Based Incentive Compensation ("CEO Performance Based Incentive Compensation") equal to the lesser of $17.5 million or 40% of the Incentive Pool, reduced from the prior year cap of the lesser of $20.0 million or 40% of the Incentive Pool, and imposed a cap on the amount of our Chief Executive Officer's annual cash bonus of $4.0 million, reduced from the prior year cap of $4.5 million. This reduction in the annual cap on Performance Based Incentive Compensation for our Chief Executive Officer reflected a 12.5% reduction over the year and a 30% reduction over the last two years. This structure resulted in a $13.5 million annual cap on our Chief Executive Officer's equity incentive awards. The Compensation Committee also applied annual caps on Performance Based Incentive Compensation for our Executive Chairman and for our President and Chief Financial Officer at the lesser of $10.0 million or 20% of the Incentive Pool, and applied annual caps for our Head of Global Distribution and for our General Counsel at the lesser of $5.0 million or 10% of the Incentive Pool.

- Determined Short Term and Long Term Performance Based Incentive Compensation using two separate Performance Assessments: Consistent with the prior year, the Compensation Committee determined cash bonus awards ("Short Term Incentive Compensation") and equity incentive awards ("Long Term Incentive Compensation") using separate processes:
  - Performance Assessment for Short Term Incentive Compensation determinations:

Continued use of a Short Term Incentive Compensation performance scorecard to evaluate contributions and progress over the year in two equally weighted categories: (i) business initiatives and (ii) financial performance

In response to stockholder feedback, sub category weightings were added to both scorecard categories and disclosure on the assessment was expanded, to increase transparency into the formulaic determination process; a formal weighting of ESG activities was also added to the factors considered by the Committee

The financial performance assessment measures performance against pre established disclosed financial targets set based on projected performance levels designed to align management incentives with stockholder value creation; targets include Economic earnings per share and EBITDA margin, together tracking the efficiency, stability and growth of our earnings; the supplemental performance metrics used in the prior year were removed so that the financial performance category score is now entirely linked to pre established disclosed financial performance targets

The assessment produces a score that is applied to a maximum bonus amount, set based on peer and market data, to produce a formulaic cash bonus award amount

- Performance Assessment for Long Term Incentive Compensation determinations:

Continued use of a Long Term Incentive Compensation scorecard, with weighted assessment of our financial results, stock performance and strategic accomplishments for the year and over the long term

The weightings of the two quantitative categories (financial results and sto