

January 5, 2021

Baker & Hostetler LLP

PNC Center
1900 East 9th Street, Suite 3200
Cleveland, OH 44114-3482

T 216.621.0200
F 216.696.0740
www.bakerlaw.com

Suzanne K. Hanselman
direct dial: 216.861.7090
SHanselman@bakerlaw.com

VIA E-MAIL: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

**Re: The Progressive Corporation
Shareholder Proposal Submitted by National
Center for Public Policy Research
Securities Exchange Act of 1934 - Rule 14a-8**

Ladies and Gentlemen:

This letter is to notify you that our client, The Progressive Corporation (the “Company”), intends to omit from its proxy statement and form of proxy for its 2021 Annual Meeting of Shareholders (collectively, the “2021 Proxy Materials”) a shareholder proposal (the “Proposal”) and statement in support thereof (the “Supporting Statement”) received from National Center for Public Policy Research (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2021 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that a shareholder proponent is required to send the company a copy of any correspondence that the proponent elects to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with

respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal states:

Resolved, that the shareholders of the Cigna Corporation [sic] (the "Company") request the Board adopt a policy to disclose to shareholders the following:

1. A description of the specific minimum qualifications that the Board's nominating committee believes must be met by a nominee to be on the board of directors; and
2. Each nominee's skills, ideological perspectives, and experience presented in a chart or matrix form.

The disclosure shall be presented to the shareholders through the annual proxy statement and the Company's website within six (6) months of the date of the annual meeting and updated on an annual basis.

A copy of the Proposal and the Supporting Statement is attached to this letter as Exhibit A. Correspondence between the Company and the Proponent relating to the Proposal and certain procedural deficiencies, which were remedied by the Proponent, is attached as Exhibit B. We note that the Company in its letter dated December 2, 2020, pointed out to the Proponent that the submitted resolution references the Cigna Corporation and not the Company, but the Proponent did not submit a revised proposal.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(10) As Substantially Implemented.

A. Rule 14a-8(i)(10) Background

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." Exchange Act Release No. 12598 (July 7, 1976).

Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when proposals were “fully effected” by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the “previous formalistic application of [the rule] defeated its purpose” because proponents were successfully convincing the Staff to deny no-action relief by submitting proposals that differed from existing company policy by only a few words, and the Commission adopted a revised interpretation of the rule to permit the omission of proposals that had been “substantially implemented.” Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) (the “1983 Release”). In 1998, the Commission amended Rule 14a-8(i)(10) to codify this revised interpretation. Exchange Act Release No. 40018 at n.30 (May 21, 1998). Thus, when a company can demonstrate that it already has taken actions to address the underlying concerns and essential objectives of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded as moot. *See, e.g., Exelon Corp.* (avail. Feb. 26, 2010); *Exxon Mobil Corp. (Burt)* (avail. Mar. 23, 2009); *Exxon Mobil Corp.* (avail. Jan. 24, 2001); *Masco Corp.* (avail. Mar. 29, 1999); *The Gap, Inc.* (avail. Mar. 8, 1996). The Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (avail. Mar. 28, 1991).

B. Action by the Company to Substantially Implement the Proposal

We believe that the Company has substantially implemented the Proposal, the essential objective of which is disclosure of the qualifications required to serve on the board of directors of the Company (the “Board”) and the skills and experiences possessed by Board members. The first part of the Proposal requests a “description of the specific minimum qualifications that the Board’s nominating committee believes must be met by a nominee to be on the board of directors” and the second part requests “each nominee’s skills, ideological perspectives, and experience presented in a chart or matrix form.” The supporting statement explains that “[b]y providing meaningful disclosure about potential Board members, shareholders will be better able to judge how well-suited individual board nominees are for the Company and whether their listed skills, experience and attributes are appropriate in light of the Company’s overall business strategy.” The supporting statement also emphasizes that “[d]iversity in board composition is best achieved through highly qualified candidates with a wide range of skills, experience, beliefs, and board independence from management.”

The Progressive Corporation Corporate Governance Guidelines (the “Guidelines”), the Progressive Corporation Nominating and Governance Committee Charter (the “Charter”) and the Company’s definitive proxy statement for its 2020 annual meeting (the “Proxy Statement”), all of which are made available on the Company’s website, contain extensive disclosure regarding the qualifications required to serve on the Board. The Guidelines, the Charter and relevant excerpts of the Proxy Statement are attached hereto as Exhibit C. Specifically, the Charter sets forth the fundamental criteria used by the Nominating and Governance Committee of the Board (the “Committee”) in selecting and evaluating directors, which is based on an assessment of a nominee’s integrity, judgment, commitment, preparation, participation, and contribution as well as his or her independence from management under applicable NYSE rules.

In addition, the Guidelines address the Board's commitment to diversity and state "[t]he Nominating and Governance Committee is committed to continuing to achieve demographic diversity in its composition as well as diversity of tenure, talents, skills, experience and perspectives among the Board's members. The Committee's work in recruiting new members will continue to reflect that commitment." The criteria and the Committee's director selection process are also described in the Proxy Statement.

We believe that the public disclosure regarding qualifications in the Guidelines, the Charter and in the Proxy Statement addresses the request set forth in the first part of the Proposal – "[a] description of the specific minimum qualifications that the Board's nominating committee believes must be met by a nominee to be on the board of directors."

The Proxy Statement has narrative disclosure in each director's biography setting forth each director nominee's specific experience, qualifications, attributes, and skills that led the Committee and the Board to conclude that he or she should serve on the Board of Directors. This disclosure provides shareholders with the requisite information to assess "how well-suited individual board nominees are for the Company and whether their listed skills, experience and attributes are appropriate in light of the Company's overall business strategy." It also provides information as to the diversity of experience, backgrounds and skills that lead to diversity of perspectives, insights and thoughts, which addresses the stated objective of the Proposal and its underlying concerns.

In December 2020, in connection with its annual review of corporate governance policies and practices of the Board and proxy statement and other public disclosures of such policies and practices, the Committee and the Board agreed to enhanced disclosure of information related to directors in the Company's annual proxy statement and on the Company's website, including providing a graphic depicting skills and experience the Board believes desirable to be possessed by one or more of its members (the "Qualifications Graphic"). Specifically, the Qualifications Graphic lists each director and the experience, qualifications, attributes and skills possessed by such director and considered by the Committee during the most recent annual nomination process, such as technology/cybersecurity, accounting and finance, experience with highly regulated businesses, insurance/financial services, and retail/marketing as well as more general skills in areas such as leadership, corporate governance, investment and capital management, and risk management. The Qualification Graphic can be found on the Company's web site under "Investor Relations" https://s24.q4cdn.com/447218525/files/doc_downloads/Director-Skills-Matrix.pdf and is attached hereto as Exhibit D. The Company will include the Qualifications Graphic in its 2021 Proxy Materials and intends to update the information presented in the Qualifications Graphic annually in its proxy materials. As described in the Proposal's supporting statement, a graphical representation of director skills and experiences allows shareholders to assess whether the "listed skills, experience and attributes are appropriate in light of the Company's business strategy" and, therefore, the Qualifications Graphic addresses the stated objective of the second request of the Proposal.

Given the disclosure on the Company's website, including the Qualifications Graphic, the Guidelines and the Charter, and in the Proxy Statement, the Company has satisfied the essential

objective of the Proposal. Accordingly, the Proposal has been substantially implemented and may be excluded under Rule 14a-8(i)(10).

We also note that the Staff has consistently concurred that Rule 14a-8(i)(10) could be relied on to exclude identical proposals submitted by the Proponent to companies that have corporate governance principles and related website and proxy disclosures substantially similar to those of the Company's. *See, e.g., AT&T Inc.* (Jan. 31, 2020); *Johnson & Johnson* (Jan. 31, 2020); *Pfizer, Inc.* (Jan. 31, 2020).

CONCLUSION

Based upon the foregoing analysis, we believe that the Proposal has been substantially implemented and, therefore, will be excludable under Rule 14a-8(i)(10). Thus, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2021 Proxy Materials in reliance on Rule 14a-8(i)(10).

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shanselman@bakerlaw.com. If we can be of any further assistance in this matter, please do not hesitate to call me at shanselman@bakerlaw.com or (216) 861-7090 or David Coffey, Managing Attorney-Securities, at david_coffey@progressive.com.

Very truly yours,

DocuSigned by:

00A5606354E74EF...
Suzanne K. Hanselman

Enclosure

cc: David Coffey, The Progressive Corporation, via email: david_coffey@progressive.com
Justin Danhoff, Esquire, National Center for Public Policy Research,
via email: JDanhof@nationalcenter.org
Scott Shephard, National Center for Public Policy Research

Exhibit A



November 18, 2020

Via FedEx to

Daniel P. Mascaro
Secretary
The Progressive Corporation
6300 Wilson Mills Road
Mayfield Village, OH 44143

Dear Mr. Mascaro,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in The Progressive Corporation (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as the Deputy Director of the Free Enterprise Project of the National Center for Public Policy Research, which has continuously owned Company stock with a value exceeding \$2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2021 annual meeting of shareholders. A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Shepard".

Scott Shepard
Enclosure: Shareholder Proposal

True Diversity Board Policy

Resolved, that the shareholders of the Cigna Corporation (the “Company”) request the Board adopt a policy to disclose to shareholders the following:

1. A description of the specific minimum qualifications that the Board’s nominating committee believes must be met by a nominee to be on the board of directors; and
2. Each nominee’s skills, ideological perspectives, and experience presented in a chart or matrix form.

The disclosure shall be presented to the shareholders through the annual proxy statement and the Company’s website within six (6) months of the date of the annual meeting and updated on an annual basis.

Supporting Statement

We believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. By providing a meaningful disclosure about potential Board members, shareholders will be better able to judge how well-suited individual board nominees are for the Company and whether their listed skills, experience and attributes are appropriate in light of the Company’s overall business strategy.

The Company’s compliance with Item 407(c)(2)(v) of SEC Regulation S-K requires it to identify the minimum skills, experience, and attributes that all board candidates are expected to possess.

Ideological diversity contemplates differences in political/policy beliefs.

True diversity comes from diversity of thought. There is ample evidence that the many companies operate in ideological hegemony that eschews conservative people, thoughts, and values. This ideological echo chamber can result in groupthink that is the antithesis of diversity. This can be a major risk factor for shareholders.

We believe a diverse board is a good indicator of sound corporate governance and a well-functioning board. Diversity in board composition is best achieved through highly qualified candidates with a wide range of skills, experience, beliefs, and board independence from management.

We are requesting comprehensive disclosures about board composition and what qualifications the Company seeks for its Board, therefore we urge shareholders to vote FOR this proposal.



November 23, 2020

Dear Customer,

The following is the proof-of-delivery for tracking number: 772121478773

Delivery Information:

Status:	Delivered	Delivered To:	Shipping/Receiving
Signed for by:	I.FREEMAN	Delivery Location:	
Service type:	FedEx Express Saver		MAYFIELD, OH,
Special Handling:	Deliver Weekday	Delivery date:	Nov 23, 2020 08:32

Shipping Information:

Tracking number:	772121478773	Ship Date:	Nov 19, 2020
		Weight:	1.0 LB/0.45 KG
Recipient:		Shipper:	
MAYFIELD, OH, US,		WASHINGTON, DC, US,	

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Thank you for choosing FedEx

Exhibit B

PROGRESSIVE

December 2, 2020

Scott Shepard
Deputy Director of the Free Enterprise Project
National Center for Public Policy Research
20 F Street, NW, Suite 700
Washington, DC 20001

VIA OVERNIGHT COURIER

Re: Shareholder Proposal

Dear Mr. Shepard:

I am writing on behalf of The Progressive Corporation ("Progressive"). On November 23, 2020, we received your letter, dated November 18, 2020, via overnight courier regarding a shareholder proposal (the "Proposal") for Progressive's 2021 Annual Meeting of Shareholders (the "2020 Meeting"). It is unclear whether the Proposal was intended for Progressive. (While the cover letter addresses Progressive, the first line of the actual resolution references the Cigna Corporation.)

Assuming the Proposal was intended for Progressive, it contains certain procedural deficiencies which Securities and Exchange Commission ("SEC") regulations require us to bring to your attention.

Proof of Continuous Ownership

Rule 14a-8(b) provides that any shareholder proponents must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company's securities entitled to be voted on the proposal for at least one year as of the date the shareholder proposal was submitted. Our review of our records of registered shareholders do not indicate that the National Center for Public Policy Research ("NCPPR") is a record owner of the sufficient number or amount of shares to satisfy this requirement. In addition, to date we have not received any proof that NCPPR has satisfied Rule 14a-8's ownership requirements as of the date the Proposal was submitted to Progressive.

To remedy this defect, NCPPR must submit sufficient proof of its continuous ownership of the required number or amount of Progressive's shares for the one-year period preceding and including the date that the Proposal was submitted to Progressive (November 23, 2020). As explained in Rule 14a-8 and in SEC staff guidance, sufficient proof must be in the form of:

1. a written statement from the “record” holder of NCPPR’s shares (usually a broker or bank) verifying that NCPPR continuously held the required number or amount of Progressive’s shares for the one-year period preceding and including the date the Proposal was submitted (November 23, 2020); or
2. if NCPPR has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting NCPPR’s ownership of the required number or amount of Progressive’s shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that NCPPR continuously held the required number or amount of Progressive’s shares for the one-year period as of the date of the statement.

If NCPPR intends to demonstrate ownership by submitting a written statement from the “record” holder of its shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers’ securities with, and hold those securities through, the Depository Trust Company (“DTC”), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. NCPPR can confirm this by asking its broker or bank or by checking DTC’s participant list, which is available at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha/ashx>. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

1. If NCPPR’s broker or bank is a DTC participant, then NCPPR needs to submit a written statement from its broker or bank verifying that NCPPR continuously held the required number or amount of Progressive’s shares for the one-year period preceding and including the date the Proposal was submitted (November 23, 2020).
2. If NCPPR’s broker or bank is not a DTC participant, then it needs to submit proof of ownership from the DTC participant through which the shares are held verifying that NCPPR continuously held the required number or amount of Progressive’s shares for the one-year period preceding and including the date the Proposal was submitted (November 23, 2020). NCPPR should be able to find out the identity of the DTC participant by asking its broker or bank. If its broker is an introducing broker, NCPPR may also be able to learn the identity and telephone number of the DTC participant through its account statements, because the clearing broker identified on account statements will generally be a DTC participant. If the DTC participant that holds NCPPR’s shares is not able to confirm its individual holdings but is able to confirm the holdings of NCPPR’s broker or bank, then NCPPR needs to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including the date the Proposal was submitted

PROGRESSIVE

(November 23, 2020), the required number or amount of Progressive shares were continuously held: (i) one from NCPPR's broker or bank confirming its ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

The SEC rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at the address noted above. Alternatively, you may transmit any response by email to me at David_Coffey@Progressive.com.

If you have any questions with respect to the foregoing, please contact me. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,

A handwritten signature in black ink that reads "David Coffey". The signature is written in a cursive style with a large, stylized "D" and "C".

David Coffey
Managing Attorney-Securities

Enclosures

Cc: Justin Danhof, General Counsel, NCPPR (via email and overnight courier)

17 CFR § 240.14a-8 - Shareholder proposals.

CFR Table of Popular Names

§ 240.14a-8 Shareholder proposals.

Link to an amendment published at [85 FR 70294](#), Nov. 4, 2020.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) Question 1: What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) In order to be eligible to submit a proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§ 240.13d-101), Schedule 13G (§ 240.13d-102), Form 3 (§ 249.103 of this chapter), Form 4 (§ 249.104 of this chapter) and/or Form 5 (§ 249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) Question 3: How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) Question 4: How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) Question 5: What is the deadline for submitting a proposal? (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the

company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§ 249.308a of this chapter), or in shareholder reports of investment companies under § 270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under § 240.14a-8 and provide you with a copy under Question 10 below, § 240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) Question 8: Must I appear personally at the shareholders' meeting to present the proposal? (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal? (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

NOTE TO PARAGRAPH (I)(1):

Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) Violation of law: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

NOTE TO PARAGRAPH (I)(2):

We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including § 240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections:* If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal:* If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

NOTE TO PARAGRAPH (I)(9):

A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) Substantially implemented: If the company has already substantially implemented the proposal;

NOTE TO PARAGRAPH (I)(10):

A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§ 229.402 of this chapter) or any successor to Item 402 (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by § 240.14a-21(b) of this chapter a single year (*i.e.*, one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by § 240.14a-21(b) of this chapter.

(11) Duplication: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) Resubmissions: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) Specific amount of dividends: If the proposal relates to specific amounts of cash or stock dividends.

(j) Question 10: What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company

to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) Question 11: May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) Question 12: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) Question 13: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, § 240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under § 240.14a-6.

[63 FR 29119, May 28, 1998; 63 FR 50622, 50623, Sept. 22, 1998, as amended at 72 FR 4168, Jan. 29, 2007; 72 FR 70456, Dec. 11, 2007; 73 FR 977, Jan. 4, 2008; 76 FR 6045, Feb. 2, 2011; 75 FR 56782, Sept. 16, 2010]

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U.S. Securities and Exchange Commission

Division of Corporation Finance Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14F (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 18, 2011

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://www.sec.gov/forms/corp_fin_interpretive.

A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8 (b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: [SLB No. 14](#), [SLB No. 14A](#), [SLB No. 14B](#), [SLB No. 14C](#), [SLB No. 14D](#) and [SLB No. 14E](#).

B. The types of brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. Eligibility to submit a proposal under Rule 14a-8

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.¹

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.² Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.³

2. The role of the Depository Trust Company

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.⁴ The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.⁵

3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of

Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.⁶ Instead, an introducing broker engages another broker, known as a “clearing broker,” to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC’s securities position listing, *Hain Celestial* has required companies to accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent’s records or against DTC’s securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8⁷ and in light of the Commission’s discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered “record” holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants’ positions in a company’s securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as “record” holders of securities that are deposited at DTC. As a result, we will no longer follow *Hain Celestial*.

We believe that taking this approach as to who constitutes a “record” holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,⁸ under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC’s nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the “record” holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

How can a shareholder determine whether his or her broker or bank is a DTC participant?

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC’s participant list, which is currently available on the Internet at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>.

What if a shareholder’s broker or bank is not on DTC’s participant list?

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder's broker or bank.⁹

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC participant?

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

C. Common errors shareholders can avoid when submitting proof of ownership to companies

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added).¹⁰ We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of

the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

“As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities].”¹¹

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

D. The submission of revised proposals

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company's deadline for receiving proposals. Must the company accept the revisions?

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8(c).¹² If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company's deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.¹³

2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,¹⁴ it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder “fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder’s] proposals from its proxy materials for any meeting held in the following two calendar years.” With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.¹⁵

E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company’s no-action request.¹⁶

F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission’s website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

¹ See Rule 14a-8(b).

² For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. See Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

³ If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

⁴ DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. See Proxy Mechanics Concept Release, at Section II.B.2.a.

⁵ See Exchange Act Rule 17Ad-8.

⁶ See Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] ("Net Capital Rule Release"), at Section II.C.

⁷ See *KBR Inc. v. Chevedden*, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); *Apache Corp. v. Chevedden*, 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the

company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

⁸ *Techne Corp.* (Sept. 20, 1988).

⁹ In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. See Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

¹⁰ For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

¹¹ This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

¹² As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

¹³ This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, *additional* proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow *Layne Christensen Co.* (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

¹⁴ See, e.g., Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

¹⁵ Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

¹⁶ Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

<http://www.sec.gov/interps/legal/cfslb14f.htm>



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20 F Street, NW, Ste 700
WASHINGTON, DC, US, 20001

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6300 Wilson Mills Road
N72A
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Recipient:

Scott Shepard, National Center of the Free Ent Pro
20 F Street, NW, Ste 700
WASHINGTON, DC, US, 20001

Shipper:

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Via FedEx

December 2, 2020

Daniel P. Mascaro
Secretary
The Progressive Corporation
6300 Wilson Mills Road
Mayfield Village, OH 44143

Dear Mr. Mascaro,

Enclosed please find a Proof of Ownership letter from UBS Financial Services Inc. in connection with the shareholder proposal submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations by the National Center for Public Policy Research to The Progressive Corporation on November 18, 2020.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in black ink that reads "Justin Danhof". The signature is fluid and cursive, with the first name "Justin" being more prominent than the last name "Danhof".

Justin Danhof, Esq.



UBS Financial Services Inc.
1000 Harbor Boulevard
Weehawken, NJ 07086
Tel. 877-827-7870
FAX 877-785-8404

UBS Wealth Advice Center

www.ubs.com

Daniel P. Mascaro
Secretary
The Progressive Corporation
6300 Wilson Mills Road
Mayfield Village, OH 44143

December 2, 2020

Confirmation: Information regarding the account of The National Center for Public Policy Research

Dear Mr. Mascaro,

The following client has requested UBS Financial Services Inc. to provide you with a letter of reference to confirm its banking relationship with our firm.

The National Center for Public Policy Research has been a valued client of ours since October 2002 and as of the close of business on 11/18/2020, the National Center for Public Research held, and has held continuously for at least one year 68 shares of Progressive Corp. common stock. UBS continues to hold the said stock.

Please be aware this account is a securities account not a "bank" account. Securities, mutual funds, and other non-deposit investment products are not FDIC-insured or bank guaranteed and are subject to market fluctuation.

Questions

If you have any questions about this information, please contact Reese Bickham at (844) 964-0333.

UBS Financial Services is a member firm of the Securities Investor Protection Corporation (SIPC).

Sincerely

Catherine R. Bickham

Catherine Reese Bickham
Financial Advisor
UBS Financial Services Inc.

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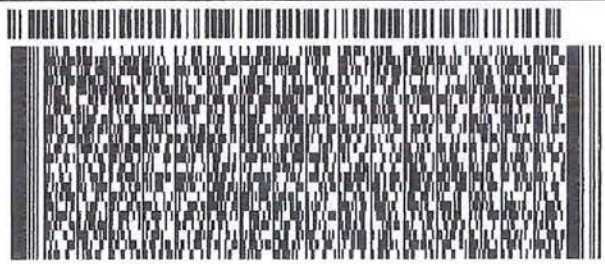
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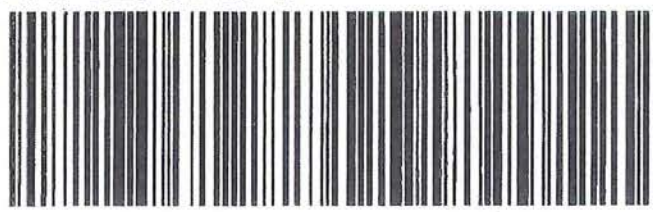
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Director Qualifications

The Board of Directors will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange (NYSE). The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the composition and appropriate size and diversity of the Board as a whole in view of the then current needs of the Company and the Board. This assessment will include consideration of each current member's effectiveness as a director and other relevant attributes, as well as any anticipated vacancies. If the need for a new director is identified, the Nominating and Governance Committee will define the relevant qualifications and lead the search for potential Board candidates. The Nominating and Governance Committee is committed to continuing to achieve demographic diversity in its composition as well as diversity of tenure, talents, skills, experience and perspectives among the Board's members. The Committee's work in recruiting new members will continue to reflect that commitment. Nominees for director will be recommended for selection by the Nominating and Governance Committee in accordance with the policies and principles in its charter and based upon an assessment of each member's or potential member's integrity, judgment, commitment, preparation, participation and contribution, as those terms are defined in that charter, as well as his or her independence from management under applicable NYSE rules. The invitation to join the Board should be extended by the Chairperson of the Board.

The number of Board positions is set forth in the Company's Code of Regulations. The Board would be willing to increase or decrease its size modestly as the Nominating and Governance Committee may recommend in view of the then-current needs of the Company and the Board and the availability of qualified candidates.

It is the sense of the Board that when there is a substantial change in an individual director's principal occupation or business association during such director's tenure, that director should volunteer to resign from the Board. It is not the sense of the Board that in every instance the directors who retire or otherwise change their principal occupation or business association should necessarily leave the Board. There should, however, be an opportunity for the Company to assess whether the new business association raises any business or legal concerns and for the Nominating and Governance Committee to consider the resignation and recommend to the Board the action, if any, that should be taken.

The Board expects that each director will devote sufficient time and effort as necessary to serve as a director and as a member of the Committee(s) to which he or she may be assigned. The Board recognizes that a director's obligations to other companies may cause conflicts with these time commitments and, accordingly, has determined that all directors should limit their involvement with such companies. If a director is actively involved in an executive capacity with the Company or another publicly held company, it is the Board's expectation that the director will not serve on the boards of more than two public companies in addition to the Company (excluding subsidiaries or companies in which the director's employer holds an investment). For a director who is not actively involved in management of the Company or

another company (including a non-executive board chairperson), it is the expectation of the Board that the director will not serve on the boards of more than four public companies in addition to the Company. In addition, the Board or the Nominating and Governance Committee at any time may recommend that a director reduce the number of boards on which he or she sits to a number less than set forth herein. The Board requests that each director notify the Chairperson of the Board when they are considering accepting an appointment to an additional board of any for-profit entity (either public or private) so as to allow the Company to assess whether the new position raises any business or legal concerns and for the Board and the Company to express any opinion they may have on whether that proposed additional board position is otherwise consistent with the intent of this paragraph.

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Nominating and Governance Committee, in consultation with the Chairperson and the Lead Director (if one has been elected, as described below), will annually review each director's continuation on the Board. This will also allow each director the opportunity at the same time to confirm his or her desire to continue as a member of the Board.

Although the Board does not believe that term limits are appropriate, the Board does support a mandatory retirement age for directors. Accordingly, the Board will not nominate for election by shareholders a candidate for director who is eighty (80) years of age or older at the time of such nomination, nor will the Board appoint such an individual to a vacant seat on the Board.

Failure to Obtain Majority of Votes Cast in Uncontested Election

Under the Company's Amended Articles of Incorporation ("Articles") and Code of Regulations, if a nominee for director does not receive a majority of the votes cast in an uncontested election, he or she is not elected to the Board. It is the expectation of the Board that any incumbent director who is not elected in an uncontested election in which he or she is a nominee will tender his or her resignation from the Board within ten (10) days after the certification of the shareholder vote, which resignation may be contingent on the Board's determination to accept or reject such resignation pursuant to the procedures described below. Pursuant to our Code of Regulations, if such a director is not elected by majority vote in an uncontested election but fails to tender his or her resignation during such ten (10) day period, his or her term of office will expire automatically upon the expiration of such period.

Any resignation submitted to the Board must be submitted either to the Chairperson of the Board or to the Board "c/o the Secretary of the Company." If a director submits a resignation that is not expressly dependent on the Board's acceptance or rejection thereof, such resignation will be effective immediately at the time of its submission. Upon receipt of a resignation that is expressly contingent upon the Board's acceptance or rejection thereof, the Nominating and

Governance Committee will consider the tendered resignation and recommend to the Board whether to accept it or reject it, considering all factors deemed relevant by the members of the Committee, including, without limitation, the reasons (if any) given by shareholders as to why they voted against the tendering director, the qualifications and performance of the director, his or her contributions to the Board and the Company, the current needs of the Board and its Committees, and evaluations of the performance of that director by his or her fellow directors.

The Board will then act on the Nominating and Governance Committee's recommendation by either accepting or rejecting the resignation, within 120 days following certification of the shareholder vote. The Board will consider the factors taken into account by the Committee and such other information and factors as the Board deems relevant. Following the Board's determination, the Company will promptly disclose the Board's decision whether to accept or reject the director's resignation (and, if applicable, the reasons for rejecting the tendered resignation) in a press release and in an appropriate filing with the Securities and Exchange Commission.

Any director who tenders his or her contingent resignation pursuant to this provision shall not participate in the Nominating and Governance Committee deliberation and recommendation or in the Board action regarding whether to accept his or her tendered resignation. If a majority of the Nominating and Governance Committee members have each failed to receive a majority of votes in an uncontested election in which he or she is a nominee and have tendered a resignation in accordance with these procedures, then the remaining independent directors will appoint a committee of independent directors to consider the tendered resignations and recommend to the Board whether to accept or reject them. Except for these limitations, such tendering director's term of office will continue, and the tendering director will be entitled to participate in all other meetings of the Board and its Committees of which he or she is a member (if any), unless and until the Board accepts such resignation or until his or her term otherwise terminates in accordance with our Code of Regulations.

A summary of this policy will be included in each proxy statement by the Company relating to an election of directors.

Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders in governing and guiding the Company to achieve its long-term vision. In discharging that obligation, directors owe the Company and its shareholders the duties of loyalty and due care. In addition, in exercising their business judgment, our directors may consider the interests of other stakeholders, including the Company's employees, customers, agents, and suppliers, as well as the broader community and societal considerations. Directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors also shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent

permitted by law and the Company's Articles, Code of Regulations and any indemnification agreements, and to exculpation as provided by state law and the Company's Articles and Code of Regulations.

Directors are expected to attend and contribute to all Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to discharge their responsibilities properly. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting generally should be distributed in writing for review by the directors before the meeting. Directors are expected to read, understand, and question the written materials and financial statements distributed. Directors are also expected to participate openly in the Board's self-evaluation process and the evaluation of senior management.

Directors are expected to attend the Company's Annual Meeting of Shareholders whenever possible. Normally, a meeting of the Board will be scheduled to coincide with the date of the Annual Meeting of Shareholders.

The Board has no policy with respect to the separation of the offices of Chairperson and the Chief Executive Officer (CEO). The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company and its shareholders for the Board to make a determination on that issue, on a case-by-case basis, whenever a new Chairperson is to be elected or when the Board elects a new CEO.

If at any time the Chairperson is also the CEO or is otherwise not an independent director under NYSE rules, the independent directors will elect a lead independent director from their ranks (the "Lead Director"). If a Lead Director is elected, he or she will be expected to work collaboratively with the Chairperson and management on Board governance, process and communication matters, and to devote the necessary time and effort to the position, during both ordinary and extraordinary circumstances. His or her responsibilities will include:

- presiding at all meetings of the Board at which the Chairperson is not present or from which the Chairperson is excused for any reason;
- having the authority to call meetings of the Board or of the independent directors;
- presiding at all meetings and executive sessions of the independent directors;
- serving as the principal liaison to facilitate communications between the Chairperson and the independent directors on Board-related issues, without inhibiting direct communications between the Chairperson and other directors;
- working with the Chairperson to establish Board meeting schedules to ensure that there is sufficient time to discuss all agenda items;
- consulting with the Chairperson on the matters to be included on the Board's meeting agendas and approving those agendas;
- approving the type of information to be provided to directors for Board meetings, and advising the Chairperson and management of any director concerns regarding the information provided; and

- being available to serve as a liaison to shareholders, in consultation with the Nominating and Governance Committee, as further discussed below.

In addition, the Lead Director will consult periodically with the Chairs of the various Board Committees to keep apprised of critical issues facing the Company as they develop, and he or she will carry out other appropriate duties as may be requested by the independent directors, the Board, or any of the Board Committees. The Lead Director will be elected annually by, and will serve at the discretion of, the independent directors. It is anticipated that the Lead Director also will be one of the members of the Nominating and Governance Committee and of the Executive Committee.

Annually, the Chairperson and the Lead Director (if one has been elected) will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). The Chairperson and the Lead Director (if one has been elected) will then establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on either the annual list of agenda items or the agenda for a specific meeting. Each Board member is also free to raise at any Board meeting subjects that are not on the agenda for that meeting. Directors are encouraged to raise issues of importance to the Board at any time. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

The non-management directors will meet in executive session on a regular basis, typically after each regularly scheduled Board meeting. The Chairperson, provided that he or she is not an executive of the Company, will preside at these meetings. If the Chairperson is an executive of the Company, the Lead Director will preside at meetings of the independent directors, which will also constitute meetings of the non-management directors. In the event that a non-executive Chairperson, or the Lead Director (if one has been elected), is not available to lead these meetings, the non-management director who presides will be chosen by the non-management directors present at the meeting. The name(s) of the director(s) presiding at the meetings of the non-management directors will be disclosed in the annual proxy statement.

In addition, if there is at least one director among the non-management directors who does not meet the criteria for independence required by the NYSE, the independent non-management directors will meet in executive session at least once annually.

Shareholder Communications

The Board believes that management speaks for the Company on matters relating to business strategies, operations, financial performance and related topics. Management thus is responsible for producing financial statements and related disclosure documents, such as annual and quarterly reports, other financial releases, and proxy statements, as well as for making presentations on quarterly conference calls and at other investor meetings. The Board and its Committees provide oversight for the financial statements, published reports and other

communications efforts, but it is not typically the Board's or an individual director's role to be a part of these communications.

The Board also believes that it is important to have available lines of communications between shareholders and the Board, to enable exchanges of information and viewpoints that may be useful to the Board in discharging its fiduciary duties to the Company and shareholders. Accordingly, the Board encourages shareholders to present to the Board significant issues regarding the Company, governance matters, or the operation of the Board. To this end, the Company publishes the methods to contact the Board or the non-management directors in its proxy statement each year and on the Corporate Governance page of the Company's website. All appropriate communications directed to the Board through those methods will be reviewed by the Board (or one of the Board's Committees) and, in the Board's discretion, responded to by or on behalf of the Board. Communications unrelated to the Board's work will not be forwarded, including junk mail, resumes or job inquiries, survey requests and other solicitations, and materials that are hostile, threatening, or similarly unsuitable, unless requested by directors.

In addition, the Board is open to arranging direct meetings between significant shareholders and directors, in appropriate circumstances, to discuss topics of mutual interest relating to the Company or the Board. Any shareholder desiring to meet directly with directors should contact the Company's Secretary, or the Board's Chairperson or Lead Independent Director (if one has been elected), and the matter will be reviewed with the Board's Nominating and Governance Committee, which is responsible for overseeing this shareholder engagement process. The Board, or individual directors who have been authorized by the Nominating and Governance Committee, may likewise seek to consult with specific shareholders from time to time.

The Board also expects that it will address issues raised by shareholders or other topics of interest annually in a letter to shareholders, to be published with the Company's annual report to shareholders or proxy statement. The Board will continue to look for other ways to convey its views to shareholders on important topics.

Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. All of the members of these committees will be independent directors under the criteria established by the NYSE and will satisfy other applicable regulatory requirements. The Board also will have an Investment and Capital Committee and a Technology Committee, each chaired by an independent director, and an Executive Committee as provided in the Company's Code of Regulations. Committee members will be appointed by the Board upon recommendation of the Nominating and Governance Committee with consideration of the desires of individual directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each committee other than the Executive Committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees, as well as qualifications for committee membership, committee structure and operations. While the Board is ultimately responsible for risk oversight, the Board assigns specific risk responsibilities to the individual committees. The Nominating and Governance Committee oversees the allocation of risk oversight among the committees and will make appropriate recommendations to the full Board of Directors. The charters will also provide that the committees will regularly report to the Board and that the Board will conduct an evaluation of each committee at least annually.

The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Annually, each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

The Board and each committee have the power to hire independent legal, financial or other advisors, as they may deem necessary, without consulting or obtaining advance approval of any officer of the Company. Any fees of any independent legal, financial or other advisor engaged by the Board or any of its Committees will be paid by the Company.

The Board, from time to time, may establish or maintain additional committees as necessary or appropriate.

Director Access

Directors have full and free access to the books, records, officers and employees of the Company. Any meetings or contacts that a director wishes to initiate with an officer or employee may be arranged through the CEO or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and, if appropriate, will copy the CEO on any written communications between a director and an officer or employee of the Company.

The Board welcomes by invitation the attendance at various Board meetings of senior officers and managers of the Company.

Director Compensation

The structure of director compensation will be determined by the Board, based on recommendations from the Compensation Committee in accordance with the policies and principles set forth in its charter, and the Committee will determine the terms of individual awards. The Compensation Committee will conduct an annual review of director compensation. It is the sense of the Board that compensation should be competitive with directors of companies

similar in size and performance, both within and outside of the insurance industry, and generally should include a significant equity component. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other direct or indirect forms of compensation to) a director or an organization with which the director is affiliated.

Stock Ownership Guidelines

The Board believes that each director should have a meaningful interest in Progressive Common Shares. In this regard, the Board expects that each director will accumulate and hold, within five (5) years of his or her election to the Board, Progressive common shares having a value of at least three (3) times the director's compensation (based on primary Committee assignment) for the most recently completed term and then will maintain such holding as a minimum investment in Progressive shares throughout his or her tenure as a director. This requirement can be satisfied by purchases in the open market or by holding equity awards that the Company makes to directors each year (including restricted stock or restricted stock unit grants held in the director's name prior to vesting, and share or unit grants that the director has elected to defer under a Company-sponsored deferred compensation plan).

Likewise, the Company's executive team members should have appropriate levels of ownership in Progressive common shares to ensure that the interests of management are aligned with those of our long-term shareholders. Accordingly, within five (5) years after becoming our CEO, and at all times while serving as CEO thereafter, the CEO must acquire and hold Progressive shares (or equivalent vested interests, such as shares held on the CEO's behalf in our 401(k) plan or equivalent units held in our executive deferred compensation plan) with a minimum value of six (6) times the CEO's then current base salary. Unvested interests held by the CEO under Progressive's equity compensation awards (such as restricted stock or restricted stock units) are not counted towards the satisfaction of this requirement.

The members of the executive team, other than the CEO, are expected to have a meaningful interest in Progressive stock, at levels that their respective compensation and financial circumstances permit. To support this goal, our executive compensation program is heavily weighted towards equity compensation in the form of restricted stock and/or restricted stock units, including both time- and performance-based awards. As a result, within three (3) years of becoming an executive team member, and at all times while serving in such a role thereafter, it is anticipated that each such executive will hold interests in Progressive common shares (including unvested restricted stock and restricted stock unit awards, shares held on the executive's behalf in our 401(k) plan and equivalent units held in our executive deferred compensation plan), with a value equal to at least three (3) times his or her base salary.

If any director or executive fails to achieve the applicable stock ownership level set forth above within the required time frame or to thereafter maintain such ownership level, then the

Nominating and Governance Committee or the Compensation Committee (in the case of a director) or the Compensation Committee (in the case of an executive team member) may take such steps as they deem appropriate to further the intent of these stock ownership guidelines, including limiting or prohibiting sales of Progressive stock by such individual or imposing post-vesting holding periods on future equity compensation awards to such individual, in either event until the applicable ownership level is achieved and maintained.

Each director and executive is encouraged to increase his or her ownership levels above these minimum levels as their personal circumstances permit.

Director Orientation and Continuing Education

All new directors must participate in the Company's Orientation Program, which should be conducted within two months of the meeting at which the new directors are elected. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers and its internal and independent auditors. In addition, the Orientation Program will include visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors also are invited to attend the Orientation Program. New directors should become familiar with the Company's business operations, competitors and competitive climate and Core Values in connection with the orientation process. All directors are encouraged to further their understanding of all aspects of the Company's business and their role as a director by meeting with key management personnel, visiting Company facilities, attending Company events, reviewing the Company's public filings, and attending director education programs whenever convenient and appropriate.

CEO Evaluation and Management Succession

In order to ensure that the CEO is providing the best leadership for the Company in the long and short term, the Board will evaluate annually the CEO's performance after receiving a written self-evaluation from the CEO. The non-management directors of the Board will meet in executive session to discuss the CEO's performance and evaluation. The Chairperson (if not an executive of the Company) or the Lead Director (if the Chairperson is an executive) then will meet individually with the CEO to provide the CEO with the Board's evaluation of the CEO's performance and any comments of the non-management directors. The Compensation Committee will consider the performance evaluation of the CEO by the Board in conducting its annual review of the CEO's compensation and in setting the annual compensation for the CEO.

In addition, the Board will periodically review with the CEO the CEO's evaluation of other executive managers of the Company. Individual Board members at that time will provide to the CEO comments with respect to the performance of such other executive managers based on the director's interactions with such managers (including Board presentations, if applicable), respective business unit performance or such other factors deemed relevant by the director.

The Nominating and Governance Committee will ensure that the Board discusses succession planning on at least an annual basis. The entire Board will work with the Nominating and Governance Committee to nominate and evaluate potential successors to the CEO.

Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether the Board, its committees and its individual directors are functioning effectively. The Chairperson and the Lead Director (if one has been elected) annually will receive comments from all directors and report to the Nominating and Governance Committee his or her assessment (or, if applicable, their respective assessments) of the performance of the Board and its Committees. The Nominating and Governance Committee will lead the Board in an assessment of the Board's performance following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

(Last Modified: December 2020)

Organization

The Nominating and Governance Committee (the “Committee”), appointed by the Board of Directors (the “Board”) of The Progressive Corporation (the “Company”), shall consist of at least three Directors including the Chairperson. Each member of the Committee shall be independent of the management of the Company (as defined by the Listing Standards of the New York Stock Exchange) and free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment as a Committee member. Committee members will be appointed annually, and may be removed at any time, by the Board.

Statement of Purpose

The purposes of the Committee are: to act as the executive search component of the Board for identifying, evaluating and recruiting qualified potential new Board members; in conjunction with the Chairperson (and the lead independent director (the “Lead Director”), if one has been elected, as provided in the Company’s Corporate Governance Guidelines), to lead the Board in its annual review of the Board’s performance and to ensure the effective evaluation of existing Board member performance; to oversee the Board’s evaluation of the Chief Executive Officer (“CEO”) and other executive managers of the Company; to ensure the Board engages in the appropriate level of CEO succession planning; to recommend to the Board for selection the director nominees for the next annual meeting of shareholders; to recommend appropriate committee and chairperson assignments for Directors; to oversee and review strategic priorities for the Company’s political activities; to oversee the environmental, social and governance (ESG) matters that affect the Company, and the Company’s related policies, programs and communication practices; to monitor the allocation of risk oversight among the Board’s committees and make recommendations to the Board; and to develop and recommend changes as may be appropriate to the Company’s Corporate Governance Guidelines. In furtherance of its purposes, the Committee shall be authorized, as it deems necessary or appropriate, to engage or consult with legal counsel, consultants and other outside advisors, which engagements and consultations shall be paid for by the Company.

Responsibilities of the Committee

The Committee shall:

1. Periodically assess the appropriate size of the Board in view of the Board’s then-current needs;
2. Determine the need for new Directors and define relevant qualifications;
3. Lead the search for, interview and screen potential Board candidates and recommend for selection new director candidates to the full Board;

4. Receive nominations for Board membership from shareholders, review and evaluate the qualifications of such nominees and report and make recommendations to the Board with respect to such nominees;
5. Give due consideration to Director diversity when considering the size and composition of the Board and evaluating potential candidates;
6. Have the sole authority to retain and terminate any search firm to be used to identify director candidates, including the authority to approve the search firm's fees and other retention terms;
7. Recommend director nominees for selection for the next annual meeting of shareholders and committee chairperson assignments annually (and at other times, when necessary) to the Board;
8. Make initial determinations of the independence of individual Directors and Board candidates under applicable legal and exchange listing standards, and make recommendations, based on such determinations, to the Board;
9. In conjunction with the Chairperson (and the Lead Director, if one has been elected), lead the Board's self-evaluation process assessing the performance of the Board and its committees, and the performance of each Director on the following criteria:
 - a. participation value, meaning active participation and demonstrated contribution at the Board and committee levels;
 - b. guards shareholder interests while appropriately considering the interests of other stakeholders;
 - c. preparation level;
 - d. attendance, including punctuality;
 - e. chemistry with management;
 - f. chemistry with other Directors;
 - g. relevant knowledge and experience;
 - h. character and integrity;
 - i. support to the CEO; and
 - j. judgment and effectiveness in decision-making;
10. Ensure that, when the Company has a non-executive Chairperson, the full Board evaluates the non-executive Chairperson on the following criteria:

- a. leading the Board in setting expectations and standards for its own performance;
 - b. providing direction and leadership for the Board;
 - c. focus on relevant issues;
 - d. meeting efficiency;
 - e. quality and timeliness of agendas and materials to read in advance of the meeting;
 - f. fostering Board member participation, chemistry and performance and creating a participatory atmosphere;
 - g. adequate support to the CEO as a sounding board on operational, strategic and organizational issues; and
 - h. willingness to accept suggestions for improvement;
11. Ensure that, when the Company has a Lead Director, the independent Directors evaluate the Lead Director based on the responsibilities included in the Company's Corporate Governance Guidelines and any other duties that the Lead Director has been requested to perform;
 12. Periodically review and assess the adequacy of the Company's Corporate Governance Guidelines and develop and recommend changes to the Board as necessary;
 13. Monitor and assess the Company's and the Board's shareholder communication practices and recommend changes when appropriate; review requests from shareholders to meet directly with members of the Board and, if appropriate, authorize specific directors to engage in such meetings;
 14. Review and assess annually its own performance and the adequacy of this Charter and recommend any proposed changes to the Board for approval;
 15. Oversee the Board's annual evaluation of the CEO and its periodic reviews of the performance of other executive managers of the Company, to ensure that such evaluations and reviews are performed in a timely and thorough manner and in accordance with the Company's Corporate Governance Guidelines;
 16. Ensure that the Board discusses CEO succession planning on at least an annual basis;
 17. Review with management on an annual basis (a) the Policy Statement on Political Contributions, Trade Groups and Lobbying (the "Policy"), (b) the draft report referred to in the Policy, and (c) compliance with the Policy of political activities during the preceding fiscal year, including the general business purposes served by, and any results of, those activities. It is not the duty of the Committee to make decisions with respect to any particular political contribution or expense or to ensure that political activities and

expenses comply with applicable law or the Policy. These are responsibilities of management;

18. Oversee the significant environmental and social factors impacting the Company, as well as the Company's corporate governance practices, and periodically review with management the Company's programs addressing ESG considerations, the views of shareholders and other stakeholders, the risks to the Company relating to these matters, and the Company's internal and external communication efforts.
19. Assist the Board in its risk oversight role by periodically reviewing the allocation of risk oversight among the Board's committees and making recommendations to the Board, as appropriate.
20. Make regular reports to the Board on the Committee's activities; and
21. Have the authority, in furtherance of the foregoing, to delegate any one or more responsibilities of the Committee to one or more subcommittees.

The following are the Company's definitions of the fundamental criteria for selecting and evaluating Directors:

INTEGRITY for a Director requires total honesty and total openness at meetings about his or her own viewpoint based on his or her own knowledge and experience (vs. a lawyer's, a board consensus or the easy way), and having no undisclosed self-interested dealings with the Company.

JUDGMENT for a Director requires having an open mind, being able to separate personalities from issues, keeping confidential that which should be confidential, supporting premises with actual experiences and doing nothing to harm the Company.

COMMITMENT for a Director must be financial and emotional. A Director's personal financial investment (excluding unexpired options) in the Company should be a meaningful amount to that Director. Emotional commitment involves managing emotions so as not to disrupt discussions, maintaining a sense of humor, but remaining willing and able to "cross swords" with any other Director to express a strongly held point of view while sustaining the spirit of collegiality.

PREPARATION for a Director requires reading, questioning and understanding the information provided about the Company and industry, getting to know each other and senior managers and being accessible by email.

PARTICIPATION for a Director requires active involvement in Board, committee and appropriate other meetings, getting to know key managers personally, being open and

candid in both the evaluation process and the annual review of the Company's Vision, Value Statement and Strategies.

CONTRIBUTION for a Director requires making comments that sharpen issues; being available to, supportive of and responsive to the CEO or other members of senior management when called upon for advice and counsel; taking the initiative to have one-on-one sessions with key managers; and adding insight, ideas and experience in Board and committee deliberations and in interactions with management.

(Last Modified: December 2020)



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Progressive Corporation (NYSE:PGR) will hold its Annual Meeting of Shareholders on Friday, May 8, 2020, at 10:00 a.m., local time. The meeting will be held by online webcast only. There will be no physical location for the meeting. You will be able to attend the Annual Meeting, vote, and submit your questions during the meeting via live webcast by visiting www.virtualshareholdermeeting.com/PGR2020. To participate in the meeting, you must have your 16-digit control number that is shown on your proxy card. You will not be able to attend the Annual Meeting in person.

At the Annual Meeting, shareholders will be asked to:

1. Elect as directors the 12 nominees identified in the attached Proxy Statement, each to serve for a term of one year;
2. Cast an advisory vote to approve our executive compensation program;
3. Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2020; and
4. Transact such other business as may properly come before the meeting.

The foregoing items of business are described more fully in the Proxy Statement accompanying this Notice. Only shareholders of record of The Progressive Corporation at the close of business on March 13, 2020 are entitled to receive notice of and to vote at the meeting or any adjournment or postponement of the meeting.

Your vote is important. Whether or not you plan to participate in the meeting via the live webcast, please vote by Internet or telephone (following the instructions on the enclosed proxy card), or by completing and returning the proxy card in the enclosed postage-paid envelope. If you later choose to revoke your proxy, you may do so by following the procedures described in the "Questions and Answers about the Annual Meeting and Voting" section in the attached Proxy Statement.

By Order of the Board of Directors.

Daniel P. Mascaro, *Secretary*

March 30, 2020

**The Proxy Statement and the 2019 Annual Report to Shareholders
are also available at progressiveproxy.com.**

ITEM 1: ELECTION OF DIRECTORS

Our Code of Regulations establishes the number of directors at no fewer than five and no more than 13. The number of directors is currently fixed at 12, and there are now 12 directors on the Board. In this proposal, we are asking shareholders to elect as directors the 12 nominees named below.

Each director elected will serve a one-year term and until his or her successor is duly elected. If, by reason of death or other unexpected occurrence, any one or more of the nominees named below is not available for election, the proxies will be voted for substitute nominee(s), if any, as the Board of Directors may propose.

NOMINEES FOR DIRECTOR

Based upon a recommendation from the Board's Nominating and Governance Committee, the Board has nominated the following persons for election to the Board.

- Philip Bleser
- Stuart B. Burgdoerfer
- Pamela J. Craig
- Charles A. Davis
- Roger N. Farah
- Lawton W. Fitt
- Susan Patricia Griffith
- Jeffrey D. Kelly
- Patrick H. Nettles, Ph.D.
- Barbara R. Snyder
- Jan E. Tighe
- Kahina Van Dyke

Information regarding the nominees can be found below under “– Director Nominee Information.”

The Board of Directors recommends that you vote FOR the election of each nominee.

SELECTION OF NOMINEES FOR DIRECTOR

The Nominating and Governance Committee evaluates each director candidate individually when considering whether he or she should be nominated to serve on the Board. The Committee looks for candidates who have demonstrated the ability to satisfy the fundamental criteria set forth in the Committee's charter - integrity, judgment, commitment, preparation, participation, and contribution - and who possess the general qualities

required to serve successfully as a director, including intelligence, thoughtfulness, and diligence. The Committee reviews the extent of the candidate's demonstrated excellence and success in his or her chosen career and the specific skills the candidate would be expected to add to the Board.




The Committee also considers the Board's needs, the qualifications of other available candidates, and how the addition of the candidate to, or the continued service on, the Board would enhance the Board's overall diversity and capabilities. The Board's policy is to include individuals with a wide variety of talents, skills, experiences, and perspectives, in addition to considering demographic criteria such as gender, race, sexual orientation, ethnicity, and age, whenever possible. The directors believe that such diversity provides the Board with broader perspectives, a wide array of thoughts and ideas, and insight into the views and priorities of our diverse investor, customer, agent, and employee bases. To evaluate the impact of the addition of a candidate on the diversity of the Board, the Committee considers how distinct the candidate's background, experience, skills, and personal characteristics are from those of the incumbent directors and whether the candidate would bring a unique perspective to the Board. The Committee assesses the effectiveness of its practices for consideration of diversity in nominating director candidates by periodically analyzing the diversity of the Board as a whole and, based on that analysis, determining whether it may be desirable to add to the Board a director with a certain type of background, talent, experience, personal characteristic, skill, or a combination thereof.




The nominees include a mixture of long-tenured and newer directors with strong operating experience in a wide variety of industries, such as financial services, social media, emerging technologies, telecommunications, retail, consulting, and higher education, and with substantial experience working in a variety of functions, including consumer marketing, technology, cybersecurity, investments, capital management, finance, accounting and control, and risk analysis. The nominees also have a wealth of diverse professional experience serving on an array of public, private, governmental, and non-profit boards and serving in various business roles as corporate executive officers as well as non-executive corporate positions. Moreover, we are one of a few companies in the Fortune 500 with both a female CEO and a female independent Board chair, and with 6 of the 12 members of the Board, and 4 of the 5 new Board members added since 2016, being women.

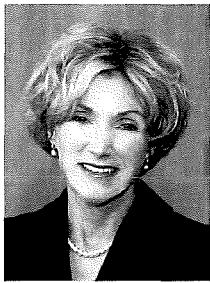

DIRECTOR NOMINEE INFORMATION

The following information is provided for each nominee and includes descriptions of each nominee's specific experience, qualifications, attributes, and skills that led the Nominating and Governance Committee and the Board to conclude that he or she should serve on the Board of Directors. Unless otherwise indicated, each nominee has held the principal occupation indicated for more than five years. Current directorships in other public companies and former directorships held during the last five years are also shown. The term of each current director expires on the date of our Annual Meeting on May 8, 2020.

Name (Age)	Principal Occupation, Business Experience, and Qualifications	Other Directorships
<p>Philip Bleser (65) Director since: 2017</p> 	<p>Retired; Chairman of Global Corporate Banking, JPMorgan Chase & Co., New York, New York (financial services) from April 2015 through June 2016; Head of Global Corporate Banking, North America, JPMorgan Chase & Co., prior to April 2015</p> <p>Prior to retiring in 2016, Mr. Bleser served on the executive leadership team at JPMorgan Chase (JPM), a preeminent commercial bank and financial services company, where he led the firm's corporate banking efforts. In these roles, Mr. Bleser's responsibilities included, among others, strategic direction and execution, risk management, and operations of a global, technology- and customer-driven corporate banking operation. His roles positioned him to understand the challenges and opportunities faced by JPM's largest corporate clients and to evaluate the strategic decisions made by those businesses. Mr. Bleser also serves on the board of a specialty retail company, enhancing his experience in the areas of public company governance and the operations of its audit and compensation committees, as well as deepening his understanding of a consumer-facing retail business.</p>	<p><u>Current</u> Francesca's Holding Corp.</p> <p><u>Former</u> None</p>
<p>Stuart B. Burgdoerfer (57) Director since: 2009</p> 	<p>Executive Vice President and Chief Financial Officer, L Brands, Inc., Columbus, Ohio (retailing)</p> <p>Mr. Burgdoerfer has been selected to serve as a director of the company because he has substantial experience working in leadership roles as a financial professional, including his current role as the Chief Financial Officer of L Brands, Inc. and, before that, as Senior Vice President of Finance of The Home Depot, Inc. Mr. Burgdoerfer enhances the Board's financial expertise and is a valuable member of our Audit Committee as an Audit Committee Financial Expert.</p>	<p><u>Current</u> None</p> <p><u>Former</u> None</p>
<p>Pamela J. Craig (63) Director since: 2018</p> 	<p>Retired; Chief Financial Officer, Accenture PLC, Dublin, Ireland (global management consulting) prior to 2013</p> <p>Ms. Craig is the former Chief Financial Officer of the global consulting firm, Accenture PLC. Ms. Craig worked at Accenture for 34 years in a variety of consulting and executive roles, where she developed extensive finance, management, operational, and technology expertise, as well as leadership experience in the context of a large, growth-oriented organization. In addition, her current and past service as a director of other significant public companies, and as a member of their audit, compensation, and governance committees, provide her with valuable experience in addressing the many risks and governance issues facing public companies.</p>	<p><u>Current</u> Merck & Co., Inc. 3M Company</p> <p><u>Former</u> Akamai Technologies, Inc. Walmart Inc. VMware, Inc.</p>

Name (Age)	Principal Occupation, Business Experience, and Qualifications	Other Directorships
<p>Charles A. Davis (71)</p> <p>Director since: 1996</p> 	<p>Chief Executive Officer, Stone Point Capital LLC, Greenwich, Connecticut (private equity investing)</p> <p>Mr. Davis has broad financial, investment, and capital management expertise developed through his work at Goldman Sachs Group, investment management experience at MMC Capital, Inc., and his service as Chief Executive Officer of Stone Point Capital LLC. The Board values Mr. Davis's extensive knowledge of Progressive's business and history, which he has gained through his service as a director of the company since 1996. He also has substantial experience serving on the boards of other public and private companies.</p>	<p><u>Current</u> AXIS Capital Holdings Limited The Hershey Company</p> <p><u>Former</u> None</p>
<p>Roger N. Farah (67)</p> <p>Director since: 2008</p> 	<p>Retired; Executive Director, Tory Burch LLC, New York, New York (retailing) from March 2017 through December 2017; Co-Chief Executive Officer, Tory Burch LLC, prior to March 2017</p> <p>Mr. Farah was chosen to serve as a director principally due to his experience serving in executive officer positions at Ralph Lauren Corporation and Tory Burch LLC and his director position at other public companies. The extensive management and operational experience Mr. Farah has attained enables him to add significant value to the Board, particularly in the area of brand development and management. He brings a unique retail perspective to the Board as a result of his experience working in an executive management role in a consumer-focused industry that is different than the property and casualty insurance industry.</p>	<p><u>Current</u> CVS Health Corporation Tiffany & Co.</p> <p><u>Former</u> Aetna, Inc. Metro Bank PLC</p>
<p>Lawton W. Fitt (66)</p> <p>Director since: 2009</p> 	<p>Chairperson of the Board, The Progressive Corporation, Mayfield Village, Ohio since May 2018; Lead Independent Director, Progressive, from May 2016 to May 2018; Retired Partner, Goldman Sachs Group, New York, New York (financial services)</p> <p>Ms. Fitt has substantial experience in the areas of investment banking and risk analysis, including insight into the operation of capital markets, as a result of her work as a partner at Goldman Sachs Group. In addition, she attained executive management experience through her work as the Secretary of the Royal Academy of Arts in London. Ms. Fitt's service as a director at various other for-profit and non-profit organizations also factored into the decision to select her to serve on the Board of Directors.</p>	<p><u>Current</u> Ciena Corporation The Carlyle Group Inc. Micro Focus International plc</p> <p><u>Former</u> ARM Holdings plc</p>

Name (Age)	Principal Occupation, Business Experience, and Qualifications	Other Directorships
<p>Susan Patricia Griffith (55)</p> <p>Director since: 2016</p>	<p>President and Chief Executive Officer, The Progressive Corporation, Mayfield Village, Ohio since July 2016; Vice President from May 2015 through June 2016; Personal Lines Chief Operating Officer from April 2015 through June 2016; President of Customer Operations prior to April 2015</p> <p>Mrs. Griffith has been with the company since 1988 and has held a series of executive leadership positions, including Chief Executive Officer (since 2016), Chief Human Resource Officer, Claims Group President (in charge of the entire Claims organization), President of Customer Operations (overseeing the contact center (sales and delivery), customer experience, systems experience, and workforce management groups), and Personal Lines Chief Operating Officer, where she oversaw the Personal Lines, Claims, and Customer Relationship Management groups. Mrs. Griffith's intimate knowledge of the company and her leadership experience give her a deep understanding of our culture, operations, challenges, and opportunities.</p>	<p><u>Current</u> FedEx Corporation</p> <p><u>Former</u> The Children's Place, Inc.</p>
		
<p>Jeffrey D. Kelly (66)</p> <p>Director since: 2012</p> <p>Prior service: 2000-2009</p>	<p>Retired; Chief Operating Officer and Chief Financial Officer, RenaissanceRe Holdings Ltd., Pembroke, Bermuda (reinsurance services) prior to September 2016</p> <p>Mr. Kelly brings a strong history of executive management, investment management, capital markets, and operational experience in the financial services industry. Among other responsibilities, he has served as the principal financial officer at a major commercial bank and a large reinsurer. Mr. Kelly's experience on the Board gives him valuable insight into our insurance and investment operations. Due to his past roles at RenaissanceRe, Mr. Kelly also provides a different perspective about the insurance industry.</p>	<p><u>Current</u> None</p> <p><u>Former</u> None</p>
		
<p>Patrick H. Nettles, Ph.D. (76)</p> <p>Director since: 2004</p>	<p>Executive Chairman of the Board, Ciena Corporation, Linthicum, Maryland (telecommunications)</p> <p>Dr. Nettles's extensive technical experience, including his experience working as an engineer, engineering manager, and his position as Chairman of the Board of Ciena Corporation, are chief among the reasons he was selected to serve on the Board of Directors. His experience and education, which includes a Ph.D. in physics, along with his significant operational experience as the Chief Executive Officer of Ciena, give him a unique perspective that enables him to make significant and distinct contributions to our Board. In addition, his past experience as a chief financial officer enables him to add great value to the Audit Committee as the Committee Chair and an Audit Committee Financial Expert. Dr. Nettles's service as a director at other public companies also factored into the decision to select him to serve on our Board of Directors.</p>	<p><u>Current</u> Ciena Corporation</p> <p><u>Former</u> Axcelis Technologies, Inc.</p>
		

Name (Age)	Principal Occupation, Business Experience, and Qualifications	Other Directorships
Barbara R. Snyder (64) Director since: 2014 	President, Case Western Reserve University, Cleveland, Ohio (higher education) Ms. Snyder has extensive leadership experience as the President of Case Western Reserve University, in addition to leadership positions she has held at non-profit and university organizations and as a member of another public company board. Since being named President of Case in 2007, she has led a revitalization of the school, instituting a strategic planning process and eliminating a multi-million dollar deficit that she inherited, while overseeing enhancements of academic excellence, faculty collaboration, fundraising efforts, and the qualifications and diversity of Case's student body. Her executive role at a leading university with strong research capabilities in science, engineering and technology, among other fields, along with her understanding of younger consumers and their technology habits, brings a unique perspective to our Board.	<u>Current</u> KeyCorp <u>Former</u> None
Jan E. Tighe (57) Director since: 2019 	U.S. Navy, Vice Admiral, Retired; Deputy Chief of Naval Operations for Information Warfare and Director of Naval Intelligence, U.S. Navy (military), from July 2016 to July 2018; Fleet Commander, U.S. Fleet Cyber Command/U.S. Tenth Fleet, U.S. Navy, prior to July 2016 Vice Admiral Tighe served in the U.S. Navy for 38 years, including leadership roles in the Navy and for the National Security Agency, prior to her retirement in 2018. She most recently served as the Deputy Chief of Naval Operations for Information Warfare and Director of Naval Intelligence, and as a managing director of the U.S. Navy's Corporate Board. Vice Admiral Tighe also had prior leadership positions in U.S. Cyber Command, the Navy's Fleet Cyber Command, and as President of the Navy's Postgraduate School. A graduate of the U.S. Naval Academy and the Naval Postgraduate School, she holds a M.S. in Applied Mathematics and a Ph.D. in Electrical Engineering. She has been a Governance Fellow of the National Association of Corporate Directors since August 2018. Vice Admiral Tighe brings to the Board extensive leadership and operational experience in complex cybersecurity matters, information technology systems, technology risk management, and strategic assessment, planning, and implementation.	<u>Current</u> The Goldman Sachs Group, Inc. Huntsman Corporation <u>Former</u> None

Name (Age)	Principal Occupation, Business Experience, and Qualifications	Other Directorships
Kahina Van Dyke (48) Director since: 2018	<p>Global Head, Digital Channels and Client Data Analytics, Standard Chartered PLC, London, England (international banking) since February 2020; Senior Vice President of Business and Corporate Development, Ripple Labs, Inc., San Francisco, California (global digital payments network) from July 2018 through December 2019; Global Director of Financial Services & Payment Partnerships, Facebook, Inc., Menlo Park, California (online social media) from October 2017 through May 2018; Global Director of Payment Partnerships & Commerce, Facebook, Inc., from January 2016 through September 2017; Group Head and Senior Vice President Global Initiatives, Mastercard International, Purchase, New York (financial services) prior to January 2016</p>	<p><u>Current</u> None</p> <p><u>Former</u> None</p>



Ms. Van Dyke is the Global Head, Digital Channels and Client Data Analytics at Standard Chartered's Corporate Commercial and Institutional Banking Division where she is focused on expanding data analytics and channel capabilities. At Ripple, she was focused on driving new, strategic partnerships across the global financial industry. Previously, she was Global Director of Financial Services & Payment Partnerships at Facebook, where she worked with external companies to develop and grow the social platform's financial products and services. Ms. Van Dyke has also held international leadership positions at multinational financial firms, Mastercard and Citigroup. She brings to our Board an understanding of traditional financial services companies combined with leadership experience at a major technology company and expertise in emerging areas such as electronic payment systems and other fintech advances. She is also the Founder and Chair of the Global Women Executive Leadership Council, a group that promotes leadership and peer mentoring for women in more than 70 countries.

VOTE REQUIRED FOR ELECTION

Proxies cannot be voted at the Annual Meeting for a greater number of persons than the 12 nominees named in this Proxy Statement.

A nominee for director in an uncontested election will be elected as a director only if he or she receives a majority of the votes cast, which is sometimes referred to as a majority voting standard. If the election for directors is contested (that is, there are more nominees than the number of director positions up for election), the majority voting standard does not apply, and the nominees receiving the highest number of votes will be elected (a plurality voting standard). The election of directors at this year's Annual Meeting is an uncontested election, so each nominee must receive a majority of the votes cast to be elected. Abstentions and unvoted shares (including broker non-votes) will not be considered as votes cast.

If an incumbent director is not elected by a majority of the votes cast in an uncontested election, the director is not automatically removed from the Board, but under our Corporate Governance Guidelines, he or she is expected to tender a resignation from the Board within 10 days after the certification of the shareholder vote. If that resignation is not made contingent on the Board's determination to accept or reject such resignation, the resignation will be effective immediately. If the resignation is contingent on Board action, the Board will review the resignation under procedures set forth in our Corporate Governance Guidelines and announce its determination whether to accept or reject the resignation within 120 days from the certification of the shareholder vote. If a director is not elected by a majority of the votes cast, but fails to tender his or her resignation during the 10-day period after certification, his or her term of office will expire automatically upon the expiration of the 10-day period.

If written notice is given by any shareholder to the President, a Vice President, or the Secretary not less than 48 hours before the time fixed for holding the Annual Meeting that he or she desires that the voting for election of directors be cumulative, and if an announcement of the giving of such notice is made at the meeting by the Chairperson or Secretary or by or on behalf of the shareholder giving such notice, each shareholder will have the right to cumulate his or her voting power in the election of directors. Under cumulative voting, each shareholder may give one nominee a number of votes equal to the number of

directors to be elected, multiplied by the number of shares he or she holds, or distribute such number of votes among the nominees, as the shareholder sees fit. If the enclosed proxy is executed and returned, or you submit your proxy by telephone or over the Internet, and voting for the election of directors is cumulative, the persons named as your proxies on the proxy card will have the authority to cumulate votes and to vote the shares represented by your proxy, and by other proxies held by them, so as to elect as many of the 12 nominees named above as possible.

OTHER BOARD OF DIRECTORS INFORMATION

BOARD OF DIRECTORS INDEPENDENCE DETERMINATIONS

We are required to have a majority of independent directors under NYSE Listing Standards. The NYSE's standards prescribe specific independence tests and require the Board to make affirmative independence determinations regarding each of our directors. Accordingly, the Board has considered the independence of our current Board members. In conducting this review, the Board took into account each director's current employment situation (if any) and other relationships that could impact the independence determination under NYSE rules, including certain transactions that took place in 2019 or are expected in 2020 between Progressive and companies with which the director is affiliated. Specifically, the Board considered ordinary course transactions involving reinsurance, claims resolution and administration, employee health and welfare plan administration, advertising, background checks for potential employees and training opportunities, among others. Based on this review, the Board determined that each of our current directors is independent under the NYSE standards, other than Mrs. Griffith, who is an executive officer of the company.

BOARD LEADERSHIP STRUCTURE AND RISK OVERSIGHT

Lawton Fitt has been Chairperson of the Board since May 2018. Ms. Fitt is independent from management under NYSE rules, and she has a strong business background, executive management experience, and additional experience as a member of a number of public company boards. Ms. Fitt's knowledge of our businesses acquired as a Board and Committee member, her demonstrated willingness to challenge management and the status quo, and her ability to establish an effective working relationship with

Mrs. Griffith in her current role and prior role as Lead Independent Director, also contributed to the Board's decision to elect Ms. Fitt as Chairperson of the Board.

The Board assigns the bulk of its risk oversight responsibilities to the Audit Committee, which oversees our Enterprise Risk Management (ERM) program. The Audit Committee's responsibilities with respect to risk oversight include the review of the guidelines, policies, and procedures that govern how we assess and manage our exposure to risk, and meeting periodically with management – including leaders and other representatives of the risk management department, compliance and ethics group, law department, control and analysis (internal audit), physical security, cybersecurity, and information technology groups, external auditors, and other business units as necessary – to review our major operational, financial, technological, reputational, and other risk exposures, as well as the steps management has taken to identify, monitor, assess, and mitigate such exposures. Our Management Risk Committee (MRC), which comprises members of management representing a cross-section of business units and functions, regularly performs an enterprise risk assessment and, with input from executive management, identifies the most critical risks facing the company. The MRC then formulates recommendations for managing those risks, which it presents to the Audit Committee for review. The Audit Committee reports to the full Board of Directors on our ERM program and MRC risk assessment.

The Board also assigns some risk oversight responsibilities to the Investment and Capital Committee and the Compensation Committee. The Investment and Capital Committee oversees our investment policy, which is designed to enable us to meet our business and financial objectives with a reasonable balance among risk, return, and cost. The

Investment and Capital Committee also is responsible for ensuring that we have a capital plan that takes risk factors into consideration. The Compensation Committee regularly reviews the risks of our compensation plans and programs. Both Committees regularly report to the full Board.

The assignment of the Board's risk oversight function as described above enables the Board to function more effectively because the whole Board is required to focus only on those risk issues deemed most critical by the Audit Committee or the other Committees. On the other hand, the Committees provide a deeper focus on overseeing management with respect to the full range of risks we confront. The Board's Chairperson, Ms. Fitt, consults with the Committee Chairs, as necessary, to ensure that significant risk issues are brought to the attention of the full Board. Otherwise, the Board's administration of its risk oversight function has not affected the Board's leadership structure.

MEETINGS OF THE BOARD OF DIRECTORS AND ATTENDANCE

During 2019, the Board of Directors held five meetings and adopted resolutions by written action pursuant to Ohio corporation law on one occasion.

All directors attended at least 75% of their scheduled Board and Committee meetings during their tenure in 2019.

Pursuant to our Corporate Governance Guidelines, directors are expected to attend our Annual Meeting of Shareholders whenever possible. Normally, a meeting of the Board is scheduled on the date of the Annual Meeting. Our 2019 Annual Meeting was attended by all of the current directors.

A copy of our Corporate Governance Guidelines can be found on our website at progressive.com/governance, or may be requested in print by writing to:

- The Progressive Corporation, Investor Relations, 6300 Wilson Mills Road, Box W33, Mayfield Village, OH 44143; or
- email: investor_relations@progressive.com.

MEETINGS OF THE NON-MANAGEMENT AND INDEPENDENT DIRECTORS

Our non-management directors meet in executive session periodically throughout the year, typically at the conclusion of regularly scheduled Board meetings. In the event that the Chairperson is not available to lead the meetings of non-management directors, the presiding director would be chosen by the non-management directors in attendance. In 2019, the non-management directors met in executive session five times. Since May 2019, each meeting of the non-management directors has also been a meeting of the independent directors.

BOARD COMMITTEES

The Board has named an Executive Committee, an Audit Committee, a Compensation Committee, an Investment and Capital Committee, and a Nominating and Governance Committee, as described below. The written charter for each of the Committees (other than the Executive Committee, which does not have a charter) can be found on our website at progressive.com/governance, or a print copy may be requested by writing to: The Progressive Corporation, Investor Relations, 6300 Wilson Mills Road, Box W33, Mayfield Village, OH 44143 or email: investor_relations@progressive.com. At its February 2020 meeting, the Board also established a new Technology Committee. The Board expects to name this Committee's members and approve its formal charter in the near future.

The following table summarizes the Board's current Committee assignments:

Name	Executive	Audit	Compensation	Investment and Capital	Nominating and Governance
Phillip Bleser			✓		✓
Stuart B. Burgdoerfer		✓*			
Pamela J. Craig			✓		
Charles A. Davis				C	
Roger N. Farah	✓		C		✓
Lawton W. Fitt	✓			✓	C
Susan Patricia Griffith	C				
Jeffrey D. Kelly		✓*			
Patrick H. Nettles, Ph.D.		C*			
Barbara R. Snyder			✓		
Jan E. Tighe ¹					
Kahina Van Dyke				✓	

¹ Ms. Tighe was elected to the Board in May 2019 and has not yet been assigned to a committee. When a director initially joins the Board, they generally are not be assigned to a committee immediately. Instead, they are invited to attend meetings of the various committees to learn about the company, the other directors, and the responsibilities of each committee.

✓ Member of the Committee

C Chair of the Committee

* Audit Committee Financial Expert

Audit Committee. The Audit Committee is responsible for ensuring that the organizational structure, policies, controls, and systems are in place to monitor and accurately report performance. The Audit Committee monitors the integrity of our financial statements, our financial reporting processes, internal control over financial reporting, and the public release of financial information, and oversees our compliance and ethics and risk management programs. The Committee also is responsible for confirming the independence of, and the selection, appointment, compensation, retention, and oversight of the work of, our independent registered public accounting firms. The Committee provides an independent channel to receive appropriate communications from employees, shareholders, auditors, legal counsel, bankers, consultants, and other interested parties. The Board of Directors has determined that each of the members of the Audit Committee is financially literate, has no relationship to Progressive that may interfere with the exercise of his or her independence from management and Progressive, and is independent as defined in the applicable SEC rules and NYSE Listing Standards. During 2019, the Audit Committee met nine times.

The Board of Directors has determined that each of Dr. Nettles, Mr. Burgdoerfer, and Mr. Kelly is an audit committee financial expert, as that term is defined in the applicable SEC regulations, and that each has accounting or related financial management expertise, as required by the NYSE Listing Standards. Dr. Nettles

is the current Executive Chairman of the Board of Ciena Corporation and its former Chief Executive Officer, a former chief financial officer, and has been a member of our Audit Committee since 2005. Mr. Burgdoerfer is the Chief Financial Officer of L Brands, Inc. and was formerly the Senior Vice President of Finance of a major retail company. Mr. Kelly was formerly the Chief Operating Officer and Chief Financial Officer of RenaissanceRe Holdings Ltd., and previously served as the Chief Financial Officer at a major commercial bank.

Compensation Committee. The Compensation Committee is composed entirely of independent directors, each of whom, the Board has determined, also satisfies the additional requirements for independence of a compensation committee member under NYSE rules. The Compensation Committee makes final determinations regarding executive compensation, including salary, equity-based awards, and annual cash incentive targets, and related performance goals, formulae, and procedures. The Committee (or in certain circumstances, the full Board of Directors, based on the Committee's recommendation) also approves the terms of the various compensation and benefit plans in which executive officers and other employees may participate. Committee decisions are made after considering third-party compensation data for comparable companies, internal analyses, and recommendations presented by management. The

executive compensation decisions for executive officers generally represent the culmination of extensive analysis and discussion, which typically take place over the course of multiple Committee meetings and in meetings between the Committee and management, including our Chief Executive Officer, our Chief Human Resource Officer, members of our compensation and law departments, and sometimes compensation consultants. In addition, the Committee frequently reports to the full Board of Directors on executive compensation matters.

The Committee's determinations regarding incentive compensation for executive level employees (for example, performance criteria and standards relating to "Gainsharing," our annual cash incentive program) generally also apply to incentive plans covering most other employees. Under this program, executives and non-executives alike are motivated to achieve the same performance objectives. The Committee has delegated to management the authority to implement such plans, and make other compensation-related decisions (such as salary and equity-based awards), for non-executive level employees. During 2019, the Compensation Committee met seven times and adopted resolutions by written action pursuant to Ohio corporation law on two occasions.

The Committee has the authority under its charter to hire its own compensation consultants, at Progressive's expense. The Committee did not use a compensation consultant during 2019.

During 2019, management retained Pearl Meyer & Partners to provide comparative compensation information and analyses for our executive officers and directors, among other assignments. The company determined that Pearl Meyer does not have a conflict of interest.

Investment and Capital Committee. The Investment and Capital Committee's responsibilities include monitoring: whether the company has adopted and adheres to rational and prudent investment and capital management policies; whether management's investment and capital management actions are consistent with our investment policy, financial objectives, and business goals; our compliance with legal and regulatory requirements, as well as internal guidelines, pertaining to investment and capital management; the competence and performance of the company's internal and external money managers, and the compensation of the company's external money managers; and such other matters as the Board or the Committee deems appropriate. The Committee does not make operating decisions about money manager selection or compensation, asset

allocation, market timing, sector rotation, or security selection, which are the responsibilities of management. The full Board of Directors must approve significant changes to the company's capital structure, dividend policy, or portfolio asset allocation. During 2019, the Investment and Capital Committee met five times.

Nominating and Governance Committee. The Nominating and Governance Committee is composed entirely of independent directors. Among other responsibilities, the Committee considers the qualifications of individuals who are proposed as possible nominees for election to the Board and makes recommendations to the Board with respect to such potential candidates. The Committee also oversees the procedures for evaluating director, committee, and Board performance.

The Committee also is responsible for monitoring corporate governance matters affecting the Board and the company. The Committee regularly reviews our Corporate Governance Guidelines to ensure that they continue to correspond to and support the Board's governance philosophy. The Committee considers and, where appropriate, recommends to the Board for approval, changes to the Corporate Governance Guidelines based on suggestions from its members, other Board members, or management. During 2019, the Board also added the oversight of environmental and social concerns to the Committee's charter. The Nominating and Governance Committee met five times and adopted resolutions by written action pursuant to Ohio corporation law on one occasion during the year.

The Nominating and Governance Committee welcomes input from shareholders regarding potential director nominees. Shareholders can recommend a candidate for consideration by the Committee by following the procedures described under "Other Matters – Procedures for Recommendations and Nominations of Directors and Shareholder Proposals."

Executive Committee. The Executive Committee exercises all powers of the Board between Board meetings, except the power to fill vacancies on the Board or its Committees and the power to adopt amendments to our Code of Regulations. During 2019, the Executive Committee adopted resolutions by written action pursuant to Ohio corporation law on five occasions.

COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Shareholders or other interested parties may send written communications to the entire Board or to the non-management directors. Such communications must be clearly addressed to the Board or the non-management directors, as appropriate, and sent to either of the following:

- Lawton W. Fitt, Chairperson of the Board
email: chair@progressive.com
- Daniel P. Mascaro, Secretary
The Progressive Corporation
6300 Wilson Mills Road
Mayfield Village, OH 44143
or email: secretary@progressive.com

The recipient will promptly forward these communications to the full Board of Directors or to the non-management directors, as specified by the sending party.

TRANSACTIONS WITH RELATED PERSONS

From time to time, we may enter into transactions with a director or executive officer, certain of his or her relatives, or an entity in which one or more of our directors or executive officers, or a relative of such

person, is an owner, director, or executive officer. With limited exceptions relating to transactions made in the ordinary course of our businesses and certain low dollar transactions, such transactions must be disclosed to and approved by our Board of Directors under our Code of Business Conduct and Ethics. This policy is carried out by the Secretary of the company as transactions with such persons or entities, or proposals for such transactions, are identified by management or disclosed by members of the Board. The Board reviews these transactions as they are identified and, for ongoing transactions, on an annual basis thereafter.










During 2019, no transactions with related persons exceeding \$120,000 in value were identified and reportable under SEC rules. For purposes of these disclosures, we exclude purchases of Progressive insurance policies, payments of claims required by our insurance policies, and other ordinary course transactions that did not exceed 1% of either our revenues or the other company's revenues for the year.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Mr. Farah (Chair), Mr. Bleser, Ms. Craig, and Ms. Snyder, served as members of the Board's Compensation Committee during 2019. There are no Compensation Committee interlocks.

Exhibit D

Director Experiences, Qualifications, Attributes and Skills

	 Accounting & Finance	 Highly Regulated Businesses	 Corporate Governance	 Insurance/Financial Services	 Investment & Capital Management	 Leadership	 Retail/Marketing	 Risk Management	 Technology/Cybersecurity
Philip Bleser	•	•	•	•	•	•	•	•	
Stuart B. Burgdoerfer	•		•		•	•	•	•	
Pamela J. Craig	•		•		•	•		•	•
Charles A. Davis	•	•	•	•	•	•		•	
Roger N. Farah	•		•			•	•	•	
Lawton W. Fitt	•	•	•	•	•	•		•	
Susan Patricia Griffith		•	•	•		•	•	•	
Devin C. Johnson	•					•	•		•
Jeffrey D. Kelly	•	•	•	•	•	•		•	
Patrick H. Nettles	•		•		•	•		•	•
Barbara R. Snyder		•		•		•	•	•	•
Jan E. Tighe		•				•		•	•
Kahina Van Dyke				•	•	•	•		•