

ADAPTEC INC
Form 4
April 03, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
FJELDSTAD LUCIE J

(Last) (First) (Middle)

691 SOUTH MILPITAS BOULEVARD

(Street)

MILPITAS, CA 95035

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ADAPTEC INC [ADPT]

3. Date of Earliest Transaction (Month/Day/Year)
03/31/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount		
				Code	V		
					Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 5.7	03/31/2006	A	15,000					(1)	03/31/2016	Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FJELDSTAD LUCIE J 691 SOUTH MILPITAS BOULEVARD MILPITAS, CA 95035	X			

Signatures

/s/ Lucie J. Fjeldstad
03/31/2006
Date

**Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Pursuant to the terms of Adaptec, Inc.'s 2000 Director Option Plan, each non-employee director shall receive an option to purchase (1) 15,000 shares of Adaptec Inc.'s common stock on March 31st of each year. The option vest at the rate of 25% of the total option shares at the end of each three month period, such that the total option shares will be fully vested on 3/31/07.
- Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. in-top:0pt;margin-bottom:0pt">

PROPOSAL 6 Shareholder Proposal Regarding Action by Written Consent

business at a meeting. Such procedural protections provide all shareholders the opportunity to fully consider, discuss and deliberate the merits of a proposed action prior to voting.

In addition, the written consent process as proposed may cause confusion and disruption, and permit fundamental corporate changes that cater to special or short-term interests. Multiple shareholder groups could solicit multiple written consents simultaneously, some of which may be duplicative or contradictory. The proponent's proposal could allow special interests or short-term investors, who do not owe fiduciary duties to the shareholders, to bypass our

existing procedural protections and marginalize smaller shareholders. Further, the Board would not have the opportunity to consider the merits of the proposed action and provide for shareholder consideration the recommendation that may best serve shareholder interest.

Our Board believes our current governance provisions strike the right balance between affording shareholders the platform to raise important matters between annual meetings and protecting against potentially abusive actions that disrupt effective management of the Company and undermine shareholder interest. As such, our Board believes the proposal is unnecessary and not in the best interests of the shareholders or the Company.

Accordingly, the Board of Directors recommends that you vote [AGAINST](#) this proposal to adopt shareholder right to act by written consent.

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APPENDICES

[Appendix A Non-GAAP and Other Financial Disclosures](#)

Any references in this Proxy Statement (except in this Appendix) to:

- (i) net income (loss);
- (ii) net income (loss) per share;
- (iii) operating earnings;
- (iv) operating earnings per share;
- (v) book value per share;
- (vi) premiums, fees and other revenues;
- (vii) operating return on equity; and

should be read as, respectively:

- (i) net income (loss) available to MetLife, Inc.'s common shareholders;
- (ii) net income (loss) available to MetLife, Inc.'s common shareholders per diluted common share;
- (iii) operating earnings available to common shareholders;
- (iv) operating earnings available to common shareholders per diluted common share;
- (v) book value per common share, excluding accumulated other comprehensive income (loss) (AOCI) other than foreign currency translation adjustments (FCTA);
- (vi) premiums, fees and other revenues (operating);

(vii) operating return on MetLife, Inc. s common stockholders equity, excluding AOCI other than FCTA; and

(viii) tangible operating return on equity.

(viii) operating return on MetLife, Inc. s tangible common stockholders equity.

In this Proxy Statement, MetLife presents certain measures of its performance that are not calculated in accordance with accounting principles generally accepted in the United States of America (**GAAP**). MetLife believes that these non-GAAP financial measures enhance the understanding of MetLife s performance by highlighting the results of operations and the underlying profitability drivers of the business.

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The following non-GAAP financial measures should not be viewed as substitutes for the most directly comparable financial measures calculated in accordance with GAAP:

Non-GAAP financial measures:

- (i) operating revenues;
- (ii) operating expenses;
- (iii) operating earnings;
- (iv) operating earnings available to common shareholders;
- (v) operating earnings available to common shareholders, adjusted for total notable items;
- (vi) operating earnings available to common shareholders per diluted common share;
- (vii) MetLife, Inc.'s common stockholders' equity, excluding AOCI other than FCTA;
- (viii) MetLife, Inc.'s common stockholders' equity, excluding AOCI other than FCTA, adjusted for total notable items;
- (ix) MetLife, Inc.'s tangible common stockholders' equity;
- (x) free cash flow of all holding companies.

Comparable GAAP financial measures:

- (i) GAAP revenues;
- (ii) GAAP expenses;
- (iii) income (loss) from continuing operations, net of income tax;
- (iv) net income (loss) available to MetLife, Inc.'s common shareholders;
- (v) net income (loss) available to MetLife, Inc.'s common shareholders;
- (vi) net income (loss) available to MetLife, Inc.'s common shareholders per diluted common share;
- (vii) MetLife, Inc.'s stockholders' equity;
- (viii) MetLife, Inc.'s stockholders' equity;
- (ix) MetLife, Inc.'s stockholders' equity;
- (x) MetLife, Inc.'s net cash provided by operating activities.

Reconciliations of these measures to the most directly comparable GAAP measures are included in this Appendix.

MetLife's definitions of the various non-GAAP and other financial measures discussed in this Proxy Statement may differ from those used by other companies:

Operating earnings is the measure of segment profit or loss that MetLife uses to evaluate segment performance and allocate resources. Consistent with GAAP accounting guidance for segment reporting, operating earnings is MetLife's measure of segment performance. Operating earnings is also a measure by which MetLife senior management's and many other employees' performance is evaluated for the purposes of determining their compensation under applicable compensation plans.

Operating earnings is defined as operating revenues less operating expenses, both net of income tax. Operating earnings available to common shareholders is defined as operating earnings less preferred stock dividends.

Operating revenues and operating expenses exclude results of discontinued operations and other businesses that have been or will be sold or exited by MetLife and are referred to as divested businesses. Operating revenues also excludes net investment gains (losses) (**NIGL**) and net derivative gains (losses) (**NDGL**). Operating expenses also excludes goodwill impairments.

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The following additional adjustments are made to GAAP revenues, in the line items indicated, in calculating operating revenues:

Universal life and investment-type product policy fees excludes the amortization of unearned revenue related to NIGL and NDGL and certain variable annuity guaranteed minimum income benefits (**GMIB**) fees (**GMIB fees**); Net investment income: (i) includes investment hedge adjustments which represent earned income on derivatives and amortization of premium on derivatives that are hedges of investments or that are used to replicate certain investments but do not qualify for hedge accounting treatment, (ii) includes income from discontinued real estate operations, (iii) excludes post-tax operating earnings adjustments relating to insurance joint ventures accounted for under the equity method, (iv) excludes certain amounts related to contractholder-directed unit-linked investments, and (v) excludes certain amounts related to securitization entities that are variable interest entities (**VIEs**) consolidated under GAAP; and

Other revenues are adjusted for settlements of foreign currency earnings hedges.

The following additional adjustments are made to GAAP expenses, in the line items indicated, in calculating operating expenses:

Policyholder benefits and claims and policyholder dividends excludes: (i) changes in the policyholder dividend obligation related to NIGL and NDGL, (ii) inflation-indexed benefit adjustments associated with contracts backed by inflation-indexed investments and amounts associated with periodic crediting rate adjustments based on the total return of a contractually referenced pool of assets and other pass through adjustments, (iii) benefits and hedging costs related to GMIBs (**GMIB costs**), and (iv) market value adjustments associated with surrenders or terminations of contracts (**Market value adjustments**);

Interest credited to policyholder account balances includes adjustments for earned income on derivatives and amortization of premium on derivatives that are hedges of policyholder account balances but do not qualify for hedge accounting treatment and excludes amounts related to net investment income earned on contractholder-directed unit-linked investments;

Amortization of deferred acquisition costs (**DAC**) and value of business acquired (**VOBA**) excludes amounts related to: (i) NIGL and NDGL, (ii) GMIB fees and GMIB costs and (iii) Market value adjustments;

Amortization of negative VOBA excludes amounts related to Market value adjustments;

Interest expense on debt excludes certain amounts related to securitization entities that are VIEs consolidated under GAAP; and

Other expenses excludes costs related to: (i) noncontrolling interests, (ii) implementation of new insurance regulatory requirements, and (iii) acquisition and integration costs.

Operating earnings also excludes the recognition of certain contingent assets and liabilities that could not be recognized at acquisition or adjusted for during the measurement period under GAAP business combination accounting guidance. In addition to the tax impact of the adjustments mentioned above, provision for income tax (expense) benefit also includes the impact related to the timing of certain tax credits, as well as certain tax reforms.

The following additional information is relevant to an understanding of MetLife's performance results:

MetLife, Inc. s tangible common stockholders equity or tangible equity - MetLife, Inc. s common stockholders equity, excluding the net unrealized investment gains (losses) and defined benefit plans adjustment components of AOCI reduced by the impact of goodwill, value of distribution agreements (**VODA**) and value of customer relationships acquired (**VOCRA**), all net of income tax.

MetLife, Inc. s common stockholders equity, excluding AOCI other than FCTA - MetLife, Inc. s common stockholders equity, excluding the net unrealized investment gains (losses) and defined benefit plans adjustment components of AOCI, net of income tax.

Allocated equity - portion of MetLife, Inc. s common stockholders equity that management allocates to each of its segments and sub-segments based on local capital requirements and economic capital. Economic capital is an internally developed risk capital model, the purpose of which is to measure the risk in the business and to provide a basis upon which capital is deployed. MetLife management periodically reviews this model to ensure that it remains consistent with emerging industry practice standards and the local capital requirements; allocated equity may be adjusted if warranted by such review. Allocated equity excludes the impact of AOCI other than FCTA.

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Operating return on MetLife, Inc. s common stockholders equity, excluding AOCI other than FCTA - operating earnings available to common shareholders divided by MetLife, Inc. s average common stockholders equity, excluding AOCI other than FCTA.

Operating return on MetLife, Inc. s tangible common stockholders equity - operating earnings available to common shareholders, excluding amortization of VODA and VOCRA, net of income tax, divided by MetLife, Inc. s average tangible common stockholders equity.

Operating return on MetLife, Inc. s common stockholders equity - operating earnings available to common shareholders divided by MetLife, Inc. s average common stockholders equity.

Return on MetLife, Inc. s common stockholders equity, excluding AOCI other than FCTA - net income (loss) available to MetLife, Inc. s common shareholders divided by MetLife, Inc. s average common stockholders equity, excluding AOCI other than FCTA.

Return on MetLife, Inc. s tangible common stockholders equity - net income (loss) available to MetLife, Inc. s common shareholders, excluding goodwill impairment and amortization of VODA and VOCRA, net of income tax, divided by MetLife, Inc. s average tangible common stockholders equity.

Return on MetLife, Inc. s common stockholders equity - net income (loss) available to MetLife, Inc. s common shareholders divided by MetLife, Inc. s average common stockholders equity.

Operating return on allocated equity - operating earnings available to common shareholders divided by allocated equity.

Operating return on allocated tangible equity - operating earnings available to common shareholders, excluding amortization of VODA and VOCRA, net of income tax, divided by allocated tangible equity.

Return on allocated equity - net income (loss) available to MetLife, Inc. s common shareholders divided by allocated equity.

Return on allocated tangible equity - net income (loss) available to MetLife, Inc. s common shareholders, excluding amortization of VODA and VOCRA, net of income tax, divided by allocated tangible equity.

Operating expense ratio - calculated by dividing operating expenses (other expenses, net of capitalization of DAC) by operating premiums, fees and other revenues.

Statistical sales information for Retail - Life sales are calculated using the LIMRA definition of sales for core direct sales, excluding company-sponsored internal exchanges, corporate-owned life insurance, bank-owned life insurance, and private placement variable universal life insurance. Annuity sales consist of statutory premiums direct and assumed, excluding company sponsored internal exchanges. Sales statistics do not correspond to revenues under GAAP, but are used as relevant measures of business activity.

Statistical sales information for Latin America, Asia and Europe, Middle East and Africa - calculated using 10% of single-premium deposits (mainly from retirement products such as variable annuity, fixed annuity and pensions), 20% of single-premium deposits from credit insurance and 100% of annualized full-year premiums and fees from recurring-premium policy sales of all products (mainly from risk and protection products such as individual life, accident & health and group). Sales statistics do not correspond to revenues under GAAP, but are used as relevant measures of business activity.

All comparisons on a constant currency basis reflect the impact of changes in foreign currency exchange rates and are calculated using the average foreign currency exchange rates for the current period and are applied to each of the comparable periods.

MetLife uses a measure of free cash flow to facilitate an understanding of its ability to generate cash for reinvestment into its businesses or use in discretionary capital actions. MetLife defines free cash flow as the sum of cash available at MetLife s holding companies from dividends from operating subsidiaries, expenses and other

net flows of the holding companies, and net contributions from debt to be at or below target leverage ratios. This measure of free cash flow is prior to discretionary capital deployment, including common stock dividends and repurchases, debt reduction and mergers and acquisitions. Free cash flow should not be viewed as a substitute for net cash provided by (used in) operating activities calculated in accordance with GAAP. The free cash flow ratio is typically expressed as a percentage of annual operating earnings available to common shareholders.

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2014	2015
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(\$ in millions, except per share data)

Total Company Reconciliation of Operating Earnings Available to Common Shareholders to**Net Income (Loss) Available to MetLife, Inc.'s Common Shareholders**

Operating earnings available to common shareholders, adjusted for total notable items	\$ 6,470	\$ 5.66	\$ 6,382	\$ 5.66
Add: Total notable items	90	0.08	(898)	(0.80)
Operating earnings available to common shareholders (1)	\$ 6,560	\$ 5.74	\$ 5,484	\$ 4.86
Adjustments from operating earnings available to common shareholders to net income (loss) available to MetLife, Inc.'s common shareholders:				
Add: Net investment gains (losses) (2)	(197)	(0.17)	597	0.53
Add: Net derivative gains (losses)	1,317	1.15	38	0.03
Add: Other adjustments to continuing operations	(1,376)	(1.20)	(1,091)	(0.96)
Add: Provision for income tax (expense) benefit	(87)	(0.08)	178	0.16
Add: Income (loss) from discontinued operations, net of income tax	(3)			
Less: Net income (loss) attributable to noncontrolling interests	27	0.02	12	0.01
Less: Preferred stock repurchase premium			42	0.04
Net income (loss) available to MetLife, Inc.'s common shareholders	\$ 6,187	\$ 5.42	\$ 5,152	\$ 4.57
Weighted average common shares outstanding diluted (In millions)		1,142.5		1,128.3

Asia Reconciliation of Operating Earnings Available to Common Shareholders to Net Income

<u>(Loss) Available to MetLife, Inc. s Common Shareholders</u>		
Operating earnings available to common shareholders	\$ 1,307	\$ 1,380
Adjustments from operating earnings available to common shareholders to net income (loss) available to MetLife, Inc. s common shareholders:		
Add: Net investment gains (losses)	512	501
Add: Net derivative gains (losses)	(532)	67
Add: Other adjustments to continuing operations	(122)	(120)
Add: Provision for income tax (expense) benefit	35	(21)
Less: Net income (loss) attributable to noncontrolling interests	19	4
Net income (loss) available to MetLife, Inc. s common shareholders	\$ 1,181	\$ 1,803
<u>Return on Equity</u>		
Operating return on MetLife, Inc. s:		
Common stockholders equity	10.0%	8.0%
Common stockholders equity, excluding AOCI other than FCTA	12.0%	9.7%
Common stockholders equity, excluding AOCI other than FCTA, adjusted for total notable items	11.9%	11.3%
Tangible common stockholders equity (3)	15.2%	11.9%
Return on MetLife, Inc. s:		
Common stockholders equity	9.4%	7.5%
Common stockholders equity, excluding AOCI other than FCTA	11.3%	9.1%
Tangible common stockholders equity (3)	14.3%	11.2%

- (1) The 2015 results of operating earnings available to common shareholders, operating earnings available to common shareholders per diluted common share and operating return on MetLife, Inc. s common stockholders equity, excluding AOCI other than FCTA, include a non-cash charge of \$792 million, net of income tax, related to an uncertain tax position. Excluding this charge, these results would have been \$6,276 million, \$5.56 and 11.1%, respectively. See Highlights of 2015 Business Results on page 43 for additional information on this non-cash charge.
- (2) The year ended December 31, 2014 includes a pre-tax net investment loss of \$633 million related to the sale of MetLife, Inc. s wholly-owned subsidiary, MetLife Assurance Limited.
- (3) Operating earnings available to common shareholders and net income available to common shareholders, used to calculate returns on tangible equity, exclude the impact of amortization of VODA and VOCRA, net of income tax, for the years ended December 31, 2014 and 2015 of \$53 million and \$48 million, respectively.

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	2014	2015
	(\$ in millions, except per share data)	
Asia Return on Equity		
Operating return on allocated equity	11.2%	12.0%
Operating return on allocated tangible equity (1)	19.3%	20.6%
Return on allocated equity	10.1%	15.7%
Return on allocated tangible equity (1)	17.5%	26.9%
Book Value (2)		
Book value per common share	\$ 61.85	\$ 60.00
Less: Net unrealized investment gains (losses), net of income tax	14.34	10.72
Less: Defined benefit plans adjustment, net of income tax	(2.02)	(1.87)
Book value per common share, excluding AOCI other than FCTA (3)	\$ 49.53	\$ 51.15
Common shares outstanding, end of period (In millions)	1,131.9	1,098.0
MetLife, Inc. s Common Stockholders Equity		
Total MetLife, Inc. s stockholders equity	\$ 72,053	\$ 67,949
Less: Preferred stock	2,043	2,066
MetLife, Inc. s common stockholders equity	70,010	65,883
Less: Net unrealized investment gains (losses), net of income tax	16,235	11,773
Less: Defined benefit plans adjustment, net of income tax	(2,283)	(2,052)
Total MetLife, Inc. s common stockholders equity, excluding AOCI other than FCTA	56,058	56,162
Less: Goodwill, net of income tax	9,759	9,314
Less: VODA and VOCRA, net of income tax	620	494
Total MetLife, Inc. s tangible common stockholders equity (excludes AOCI other than FCTA)	\$ 45,679	\$ 46,354

Average common stockholders equity	\$ 65,909	\$ 68,674
Average common stockholders equity, excluding AOCI other than FCTA	\$ 54,565	\$ 56,412
Average tangible common stockholders equity (excludes AOCI other than FCTA)	\$ 43,569	\$ 46,346
Asia Equity		
Allocated equity	\$ 11,695	\$ 11,509
Allocated tangible equity	\$ 6,787	\$ 6,708

- (1) Operating earnings available to common shareholders and net income available to common shareholders, used to calculate returns on allocated tangible equity, exclude the impact of amortization of VODA and VOCRA, net of income tax, for both years ended December 31, 2014 and 2015 of \$4 million.
- (2) Book value excludes \$2,043 million and \$2,066 million of equity related to preferred stock at December 31, 2014 and 2015, respectively.
- (3) The 2015 result of book value per common share, excluding AOCI other than FCTA, includes a non-cash charge of \$792 million, net of income tax, related to an uncertain tax position. Excluding this charge, this result would have been \$51.87. See Highlights of 2015 Business Results on page 43 for additional information on this non-cash charge.

	2012	2013
(\$ in millions)		
Total Company Reconciliation of Operating Earnings Available to Common Shareholders to		
<u>Net Income (Loss) Available to MetLife, Inc.'s Common Shareholders</u>		
Operating earnings available to common shareholders	\$ 5,649	\$ 6,261
Adjustments from operating earnings available to common shareholders to net income (loss) available to MetLife, Inc.'s common shareholders:		
Add: Net investment gains (losses)	(352)	161
Add: Net derivative gains (losses)	(1,919)	(3,239)
Add: Goodwill impairment	(1,868)	
Add: Other adjustments to continuing operations	(2,492)	(1,597)
Add: Provision for income tax (expense) benefit	2,174	1,683
Add: Income (loss) from discontinued operations, net of income tax	48	2
Less: Net income (loss) attributable to noncontrolling interests	38	25
Net income (loss) available to MetLife, Inc.'s common shareholders	\$ 1,202	\$ 3,246

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	2012	2013	2014	2015
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(\$ in millions)

Reconciliation of Net Cash Provided by Operating Activities of MetLife, Inc. to Free Cash Flow of All Holding Companies

MetLife, Inc. (parent company only) net cash provided by operating activities	\$ 2,618	\$ 1,865	\$ 2,615	\$ 1,606
Adjustments from net cash provided by operating activities to free cash flow:				
Add: Incremental debt to be at or below target leverage ratios			445	1,750
Add: Capital contributions to subsidiaries	(1,223)	(598)	(1,011)	(667)
Add: Returns of capital from subsidiaries	9	567		5
Add: Repayments on and (issuances of) loans to subsidiaries, net		245	462	461
Add: Investment portfolio changes and other, net	(338)	23	151	365
MetLife, Inc. (parent company only) free cash flow	1,066	2,102	2,662	3,520
Other MetLife holding companies:				
Add: Dividends and returns of capital from subsidiaries	1,562	822	1,339	1,354
Add: Capital contributions from MetLife, Inc.	122	403		150
Add: Capital contributions to subsidiaries	(596)	(201)	(48)	(27)
Add: Repayments on and (issuances of) loans to subsidiaries, net		(305)	(458)	(510)
Add: Other expenses	(733)	(567)	(637)	(729)

Add: Investment portfolio changes and other, net	35	(18)	32	223
Total other MetLife holding companies free cash flow	390	134	228	461
Free cash flow of all holding companies	\$ 1,456	\$ 2,236	\$ 2,890	\$ 3,981
Ratio of free cash flow to operating earnings available to common shareholders:				
Free cash flow of all holding companies	\$ 1,456	\$ 2,236	\$ 2,890	\$ 3,981
Consolidated operating earnings available to common shareholders (1)	\$ 5,649	\$ 6,261	\$ 6,560	\$ 5,484
Ratio of free cash flow of all holding companies to consolidated operating earnings available to common shareholders (1)	26%	36%	44%	73%
Ratio of net cash provided by operating activities to consolidated net income (loss) available to MetLife, Inc. s common shareholders:				
MetLife, Inc. (parent company only) net cash provided by operating activities	\$ 2,618	\$ 1,865	\$ 2,615	\$ 1,606
Consolidated net income (loss) available to MetLife, Inc. s common shareholders (2)	\$ 1,202	\$ 3,246	\$ 6,187	\$ 5,152
Ratio of net cash provided by operating activities (parent company only) to consolidated net income (loss) available to MetLife, Inc. s common shareholders (2), (3)	218%	57%	42%	31%

(1) Consolidated operating earnings available to common shareholders for 2015 includes a non-cash charge of \$792 million, net of income tax, related to an uncertain tax position. Excluding this charge from the denominator of the ratio, the adjusted free cash flow ratio would be 63%. See [Highlights of 2015 Business Results](#) on page 43 for additional information on this non-cash charge.

(2) Consolidated net income (loss) available to MetLife, Inc. s common shareholders for 2015 includes a non-cash charge of \$792 million, net of income tax, related to an uncertain tax position. Excluding this charge from the denominator of the ratio, this ratio, as adjusted, would be 27%.

(3) Including the free cash flow of other MetLife, Inc. holding companies of \$390 million, \$134 million, \$228 million and \$461 million for the years ended December 31, 2012, 2013, 2014 and 2015, respectively, in the numerator of the ratio, this ratio, as adjusted, would be 250%, 62%, 46% and 40%, respectively.

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Appendix B

Appendix B Compensation Discussion and Analysis Supplementary Information**Comparator Group and MetLife Revenues, Total Assets and Market Capitalization**

Comparator Group Company	Revenues (1) (3)	Total Assets (1) (4)	Market Capitalization (2) (4)
Aegion N.V.^{5,8}	\$ 36,490	\$ 513,605	\$ 16,282
Aflac Incorporated	\$ 22,728	\$ 119,767	\$ 27,029
American International Group, Inc.	\$ 64,406	\$ 515,581	\$ 77,066
The Allstate Corporation	\$ 35,239	\$ 108,533	\$ 29,365
American Express Company⁶	\$ 34,292	\$ 159,103	\$ 95,180
AXA S.A.^{5,8}	\$111,305	\$1,016,483	\$ 56,740
Bank of America Corporation⁶	\$ 84,247	\$2,104,534	\$188,141
Citigroup Inc.⁶	\$ 76,882	\$1,842,530	\$163,624
The Hartford Financial Services Group, Inc.	\$ 18,614	\$ 245,013	\$ 17,694
HSBC Holdings plc^{5,6}	\$ 61,248	\$2,634,139	\$182,235
ING Groep N.V.^{5,6,7,8}	\$ 18,409	\$1,195,124	\$ 50,512
JPMorgan Chase & Co.⁶	\$ 94,205	\$2,573,126	\$232,472
Manulife Financial Corporation^{5,9}	\$ 46,889	\$ 498,289	\$ 35,555

Morgan Stanley⁶	\$ 34,275	\$ 801,510	\$ 75,698
Prudential Financial Inc.	\$ 54,105	\$ 766,655	\$ 41,141
Sun Life Financial Inc.^{5,9}	\$ 22,157	\$ 192,087	\$ 22,099
The Travelers Companies, Inc.	\$ 27,162	\$ 103,078	\$ 34,105
U.S. Bancorp⁶	\$ 19,939	\$ 402,529	\$ 80,275
Wells Fargo & Company⁶	\$ 84,347	\$1,687,155	\$283,439
MetLife	\$ 73,316	\$ 902,337	\$ 61,226

1 Source (other than AXA S.A.): 2014 Annual Reports on Forms 10-K, 20-F, or 40-F as applicable. Source for AXA S.A.: 2014 Annual Report.

2 Source: Bloomberg.

3 Amounts in millions for fiscal year ended December 31, 2014.

4 Amounts in millions as of December 31, 2014.

5 Amounts reported under International Financial Reporting Standards. All other companies' information reported under GAAP.

6 For these companies with banking operations, revenues are shown net of the interest expense associated with deposits, short-term borrowings, trading account liabilities, long-term debt, etc. This is consistent with the presentation in each company's financial statements.

7 Total income reported in place of revenues.

8 Amounts converted from Euros at 1 = U.S.\$1.21, the exchange rate as of December 31, 2014.

9 Amounts converted from Canadian dollars at CAD1 = U.S.\$0.86, the exchange rate as of December 31, 2014.

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Appendix B

AVIP Performance Funding Level Formula and 2015 Calculation

The calculation has the following features:

Operating Earnings is adjusted to eliminate the impact (if any) of variable investment income on an after-tax basis that was higher or lower than the Business Plan goal by 10% or more (**Adjusted Operating Earnings**).

For each 1% deviation in Adjusted Operating Earnings within 3% above or below Business Plan, the AVIP Performance Funding Level moves 1% up or down from 100%. For each 1% deviation outside of that 3% corridor, the Performance Funding Level moves 2.5% up or down from 100%, to a minimum funding level of 50% or maximum funding level of 150%.

The AVIP Performance Funding Level is zero and no funds are generated for AVIP awards if Adjusted Operating Earnings is less than 50% of the Business Plan Goal.

The Company's adjusted Operating Earnings produced the AVIP Performance Funding Level and resulting amount available for all AVIP awards for 2015 shown below.

	(\$ in millions)
Operating Earnings ¹	\$6,276
Add shortfall of variable investment income, to the extent more than 10% lower than the Business Plan target	\$ 98
Result is Adjusted Operating Earnings	\$6,374
Business Plan Operating Earnings Goal	\$6,499
Adjusted Operating Earnings as a percentage of Business Plan Operating Earnings goal	98.1%
AVIP Performance Funding Level for performance within 3% below Business Plan goal; each 1% below goal subtracts 1% from a 100% Performance Factor	98.1%
Total target-performance planning amount of all employees AVIP (the AVIP Planning Target)	\$ 502
Total amount available for all AVIP equals AVIP Performance Funding Level times AVIP Planning Target	

1 The 2015 results of Operating Earnings have been adjusted to exclude a non-cash charge of \$792 million, net of income tax, related to an uncertain tax position. The Compensation Committee determined to so adjust Operating Earnings for this purpose. See Annual Incentive Awards on page 55.

B-2 MetLife 2016 Proxy Statement

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Appendix B

Performance Share Performance Factor Formula

	Annual Operating ROE Performance as a Percentage of Business Plan Goal	Performance Factor
Below Threshold	0-79%	0%
Threshold	80%	25%
Target	100%	100%
Maximum	120%	175%
Above Maximum	121%+	175%

	TSR Performance as a Percentile of Peers	Performance Factor
Below Threshold	0-24th %ile	0%
Threshold	25th %ile	25%
Target	50th %ile	100%
Maximum	87.5th %ile	175%
Above Maximum	87.5th-99th %ile	175%

If the Company's TSR for the performance period is zero or negative, the Committee may cap the entire performance factor at target.

Performance Share TSR Comparators

Aegon N.V.

Lincoln National Corporation

Aflac Incorporated

Manulife Financial Corporation

AIA Group Limited

Ping An Insurance (Group) Company of China,
Ltd.

Allianz SE

Principal Financial Group, Inc.

The Allstate Corporation

Prudential Financial, Inc.

American International Group, Inc.

Prudential plc

Assicurazioni Generali S.p.A.

The Travelers Companies, Inc.

Aviva PLC

Unum Group

AXA S.A.

Zurich Financial Services AG

The Dai-ichi Life Insurance Company, Limited

The Hartford Financial Services Group Inc.

Legal & General Group PLC

MetLife 2016 Proxy Statement B-3

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[Appendix C](#)

[Appendix C Potential Exclusive Forum By-Law](#)

The text below is the text of a potential addition to MetLife's By-Laws that is the subject of Proposal 2 Advisory Vote on Exclusive Forum By-Law:

Exclusive Forum. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of the Corporation or the Corporation's affiliates to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation or the Corporation's affiliates arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's Certificate of Incorporation or Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation or the Corporation's affiliates governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware or, if the Court of Chancery does not have jurisdiction over the action or proceeding, a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section.

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200 Park Avenue

New York, NY 10166

www.MetLife.com

1510-300542 CS

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Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. x

Voting Instructions

Electronic Voting available 24 hours a day, 7 days a week!

Instead of mailing your Proxy Card/Voting Instruction Form, you may choose one of the other voting methods outlined below to vote your Proxy Card/Voting Instruction Form.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Follow the instructions provided by the recorded message

Vote by Internet

Go to www.investorvote.com/MET

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

Vote by mail

To vote by mail, mark, sign and date your Proxy Card/Voting Instruction Form and return it in the enclosed postage-paid envelope.

q **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

B **Proposals** The following items are more fully described in the Proxy Statement accompanying this card. The Board of Directors has proposed and recommends a vote **FOR** all the nominees listed and **FOR** Proposals 2, 3 and 4. The Board of Directors recommends a vote **AGAINST** Proposals 5 and 6.

+

1. Election of Directors:

	For	Against	Abstain		For	Against	Abstain		For	Against	Abstain
01 - Cheryl W. Grisé	05 - Alfred F. Kelly, Jr.	..	..	..	09 - Catherine R. Kinney	..	..	..
02 - Carlos M. Gutierrez	06 - Edward J. Kelly, III	..	..	..	10 - Denise M. Morrison	..	..	..
03 - R. Glenn Hubbard	07 - William E. Kennard	..	..	..	11 - Kenton J. Sicchitano	..	..	..
04 - Steven A. Kandarian	08 - James M. Kilts	..	..	..	12 - Lulu C. Wang	..	..	..

2. Advisory Vote to Adopt a By-Law Designating Delaware the Exclusive Forum for Certain Legal Actions

For **Against** **Abstain**

5. Shareholder Proposal to

For **Against** **Abstain**

Adopt a Policy
that the
Chairman of the
Board Be an
Independent
Director

.. ..

3. Ratification of Appointment of
Deloitte & Touche LLP as
Independent Auditor for 2016

.. ..

6. Shareholder
Proposal to
Adopt
Shareholder
Right to Act by
Written Consent

4. Advisory Vote to Approve the
Compensation Paid to the
Company's Named Executive
Officers

.. ..

C Authorized Signatures THIS SECTION MUST BE COMPLETED FOR YOUR VOTE TO BE COUNTED. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

(/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.
/ /

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS B AND C ABOVE. PLEASE COMPLETE SECTION A ON THE OTHER SIDE OF THE CARD IF APPLICABLE.

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YOUR VOTE IS IMPORTANT. PLEASE REMEMBER TO CAST YOUR VOTE TODAY.

We encourage you to take advantage of Internet or telephone voting.

Both are available 24 hours a day, 7 days a week.

Common Shareholders - Internet and telephone voting are available through 11:59 PM Eastern Time, June 13, 2016.

Proxy Cards submitted by common shareholders who vote by mail must be received prior to the 2016 Annual Meeting.

MetLife and New England Employee Benefit Plan Participants - Internet and telephone voting are available through 6:00 PM Eastern Time, June 10, 2016.

Voting Instruction Forms submitted by plan participants who vote by mail must be received by 6:00 PM, Eastern Time, June 10, 2016.

Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your Proxy Card/Voting Instruction Form.

Please see reverse for instructions on voting by Internet, telephone or mail.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Proxy Statement, Annual Report and Chairman's Letter are available at <http://investor.metlife.com>.

Common shareholders may consent to receive MetLife, Inc.'s Annual Reports to Shareholders, Proxy Statement and other shareholder communications electronically at www.computershare.com/metlife.

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.q

Proxy Card/Voting Instruction Form MetLife, Inc. +
Proxy solicited on behalf of the Board of Directors of MetLife, Inc. for the 2016 Annual Meeting, June 14, 2016

Common Shareholders

The shareholder(s) whose signature(s) appear(s) on the reverse side of this Proxy Card hereby appoint(s) Joseph B. Cohen and Timothy J. Ring, or either of them, each with full power of substitution, as proxies to vote all shares of MetLife, Inc. Common Stock that the shareholder(s) would be entitled to vote on all matters that may properly come before the 2016 Annual Meeting and at any adjournments or postponements thereof. The proxies are authorized to vote and will vote in accordance with the specifications indicated by the shareholder(s) on the reverse of this Proxy Card. **If this Proxy Card is signed and returned by the shareholder(s), and no specifications are indicated, the proxies are authorized to vote as recommended by the Board of Directors of MetLife, Inc.** If this Proxy Card is signed and returned, the proxies appointed thereby will be authorized to vote in their discretion on any other matters that may be presented for a vote at the 2016 Annual Meeting and at any adjournments or postponements thereof.

Plan Participants

The Bank of New York Mellon is the Trustee (the Plan Trustee) of (i) the Savings and Investment Plan for Employees of Metropolitan Life and Participating Affiliates Trust and (ii) the New England Life Insurance Company Agents Retirement Plan and Trust. Each of (i) and (ii) above is referred to herein individually as a Plan.

As a Plan participant, you have the right to direct the Plan Trustee how to vote the shares of MetLife, Inc. Common Stock (Shares) that are allocated to your Plan account and shown on the reverse of this Voting Instruction Form. The Plan Trustee will hold your instructions in complete confidence except as may be necessary to meet legal requirements.

You may instruct the Plan Trustee how to vote by telephone, Internet or by signing and returning this Voting Instruction Form. See the reverse side of this form for instructions on how to vote. A postage-paid envelope is enclosed. The Plan Trustee must receive your voting instructions no later than 6:00 p.m., Eastern Time, June 10, 2016, to vote in accordance with the instructions.

The Plan Trustee will vote your Plan Shares in accordance with the specifications indicated by you on the reverse of this Voting Instruction Form. **If the Plan Trustee does not receive your instructions by 6:00 p.m., Eastern Time, June 10, 2016, or if you sign and return this Voting Instruction Form and no specifications are indicated, the Plan Trustee will vote your Plan Shares in the same proportion as the Plan Shares for which it has received instructions.** On any matters other than those described on the reverse of this Voting Instruction Form that may be presented for a vote at the 2016 Annual Meeting and any adjournments or postponements thereof, your Plan Shares will be voted in the discretion of the proxies appointed by the shareholders of MetLife, Inc.

A Non-Voting Items

Change of Address Please print new address below.

Meeting Attendance
Mark box to the right if
you plan to attend the

(Continued and to be marked, dated and signed, on the other side)

¢ **IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS B AND C ON THE OTHER SIDE OF THE CARD. PLEASE COMPLETE SECTION A ABOVE IF APPLICABLE.** +

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Meeting Information

Meeting Type:	Annual Meeting
For holders as of:	April 19, 2016
Date:	June 14, 2016
Time:	11:30 a.m. Eastern Time
Location:	MetLife, Inc. 1095 Avenue of the Americas New York, New York 10036

You are receiving this communication because you hold shares in the company named above.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet or by mail. You may view the proxy materials online at <http://investor.metlife.com>, scan the QR code on the reverse side, or easily request a paper copy (see below).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

See below to obtain proxy materials and the reverse side for voting instructions.

***** Exercise Your *Right to Vote* *****

**Important Notice Regarding the Availability of Proxy Materials for the
Shareholder Meeting to Be Held on June 14, 2016.**

Before You Vote

How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

1. NOTICE AND PROXY STATEMENT
2. ANNUAL REPORT
3. CHAIRMAN'S LETTER

How to View Online:

Have the information that is printed in the shaded bar above and visit: <http://investor.metlife.com>, or scan the QR code.

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make current and future delivery requests.

- | | |
|-------------------------|--|
| 1) <i>BY INTERNET:</i> | www.investorvote.com/MET |
| 2) <i>BY TELEPHONE:</i> | 1-866-641-4276 |
| 3) <i>BY E-MAIL*:</i> | investorvote@computershare.com |

* If requesting materials by e-mail, please send to investorvote@computershare.com with Proxy Materials MetLife in the subject line. Include in the message your full name and address, plus the number located in the shaded bar above, and state in the e-mail that you want a paper or e-mail copy of the current meeting materials. You can also state your preference to receive a paper or e-mail copy for future meetings.

Please make the request as instructed above on or before May 31, 2016 to facilitate timely delivery.

C O Y

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How To Vote

Please Choose One of the Following Voting Methods

Vote In Person: Many shareholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these shares. The directions to the location of the 2016 Annual Meeting are available at <http://investor.metlife.com>.

Vote By Internet: To vote by Internet, go to www.investorvote.com/MET or from a smart phone, scan the QR code above. Have the information that is printed in the shaded bar located on the reverse side available and follow the instructions.

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a Proxy Card/Voting Instruction Form.

Vote By Telephone: Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone. Follow the instructions provided by the recorded message.

Voting Items

The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposals 2, 3 and 4.

1. Election of Directors

Nominees:

01 - Cheryl W. Gris 

02 - Carlos M. Gutierrez

03 - R. Glenn Hubbard

04 - Steven A. Kandarian

05 - Alfred F. Kelly, Jr.

06 - Edward J. Kelly, III

07 - William E. Kennard

08 - James M. Kilts

09 - Catherine R. Kinney

10 - Denise M. Morrison

11 - Kenton J. Sicchitano

12 - Lulu C. Wang

2. Advisory Vote to Adopt a By-Law Designating Delaware the Exclusive Forum for Certain Legal Actions

3. Ratification of Appointment of Deloitte & Touche LLP as Independent Auditor for 2016

4. Advisory Vote to Approve the Compensation Paid to the Company's Named Executive Officers

The Board of Directors recommends a vote AGAINST Proposals 5 and 6.

5. Shareholder Proposal to Adopt a Policy that the Chairman of the Board Be an Independent Director

6. Shareholder Proposal to Adopt Shareholder Right to Act by Written Consent

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.