KEYCORP /NEW/
Form PRE 14A
March 19, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

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

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

KEYCORP

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

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

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

(3) Filing Party:

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PRELIMINARY COPY, DATED MARCH 19, 2019 - SUBJECT TO COMPLETION

KeyCorp 2019 Proxy Statement and

Notice of 2019 Annual Meeting

of Shareholders

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PRELIMINARY COPY, DATED MARCH 19, 2019 - SUBJECT TO COMPLETION

127 PUBLIC SQUARE

CLEVELAND, OHIO 44114

April 5, 2019

Message to

the Shareholders

BETH E. MOONEY

Chairman of the Board and

Chief Executive Officer

Dear Shareholder,

I am pleased to share that 2018 marked another successful year for Key, as we continued to grow the company, invest for our future and deliver on our financial commitments. We once again improved our operating performance, while maintaining strong discipline around credit quality and capital management. We achieved our sixth consecutive year of positive operating leverage, with continued momentum in our businesses. We reached a record level of revenue and continued our strong focus on expense management, all while continuing to invest for growth across our franchise. Our efforts drove meaningful improvement in both efficiency and returns for you, our shareholders, and we believe we are well-positioned moving forward.

On behalf of your Board of Directors, we are pleased to invite you to KeyCorp s 2019 Annual Meeting of Shareholders on Thursday, May 23, 2019. The meeting will be held at One Cleveland Center, 1375 East Ninth Street, Cleveland, Ohio 44114, beginning at 8:30 a.m., local time.

We encourage you to carefully review this year s notice and proxy statement, which contain important information about proxy voting and the business to be conducted at the meeting, as well as highlights of Key s 2018 performance. We hope you will attend the meeting, but even if you plan to attend, we encourage you to vote your shares in advance of the meeting by telephone, online, or by returning your completed proxy card to us.

Every shareholder vote is important and we want to ensure your shares are represented at the meeting. Please vote your shares as promptly as possible.

Thank you for your continued support of KeyCorp. We look forward to seeing you at the meeting.

Sincerely,

Beth E. Mooney

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PRELIMINARY COPY, DATED MARCH 19, 2019 - SUBJECT TO COMPLETION

Notice of Annual Meeting of Shareholders

of KeyCorp

Date and Time:	**Place:**
Thursday, May 23, 2019, at 8:30 a.m., local time	One Cleveland Center 1375 East Ninth Street Cleveland, Ohio 44114

Items of Business:

At the meeting, the shareholders will vote on the following matters:

1. Election of the 14 directors named in the proxy statement to serve for one-year terms expiring in 2020;

2. Ratification of Ernst & Young LLP as independent auditors for KeyCorp for the fiscal year ending December 31, 2019;

3. Advisory approval of KeyCorp s executive compensation;

4. Approval of KeyCorp s 2019 Equity Compensation Plan;

5. A management proposal to amend KeyCorp s Articles of Incorporation to increase the number of authorized common shares;

6. A management proposal to authorize KeyCorp s Board of Directors to make future amendments to KeyCorp s Regulations; and

7. Such other business as may properly come before the meeting or any postponement or adjournment thereof.

Record Date:

Shareholders of record of KeyCorp common shares at the close of business on Friday, March 29, 2019, have the right to receive notice of and to vote at the Annual Meeting and any postponement or adjournment thereof.

Delivery of Proxy Materials:

We will first mail the Notice of Internet Availability of Proxy Materials to our shareholders on or about Monday, April 8, 2019. On or about the same day, we will begin mailing paper copies of our proxy materials to shareholders who have requested them.

Voting:

It is important that your shares are represented and voted at the meeting. You may vote by telephone, online, or by mailing your signed proxy card in the enclosed return envelope if the proxy statement was mailed to you. If you do attend the meeting, you may withdraw any previously-voted proxy and personally vote on any matter properly brought before the meeting.

By Order of the Board of Directors

Paul N. Harris

Secretary and General Counsel

April 5, 2019

Internet Availability of Proxy Materials: IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON THURSDAY, MAY 23, 2019: Our 2019 proxy statement, proxy card, and Annual Report on Form 10-K for the year ended December 31, 2018, are available at *www.envisionreports.com/key.*

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PRELIMINARY COPY, DATED MARCH 19, 2019 - SUBJECT TO COMPLETION

Proxy Statement

The Board of Directors of KeyCorp (Key, the Company, our, us or we) is furnishing you with this proxy stateme solicit shareholder proxies to be voted at the 2019 Annual Meeting of Shareholders to be held on May 23, 2019 (the Annual Meeting), and at all postponements and adjournments thereof. The 2019 Annual Meeting will be held at One Cleveland Center, 1375 East Ninth Street, Cleveland, Ohio 44114.

The mailing address of our principal executive office is 127 Public Square, Cleveland, Ohio 44114. KeyCorp employs the cost-effective and environmentally-conscious notice and access delivery method. This allows us to give our shareholders access to a full set of our proxy materials online. Beginning on or about April 8, 2019, we will send to most of our shareholders, by mail or e-mail, a notice explaining how to access our proxy materials and vote online. This notice is not a proxy card and cannot be used to vote your shares. On or about April 8, 2019, we will also begin mailing paper copies of our proxy materials to shareholders who have requested them.

All record holders of KeyCorp common shares at the close of business on Friday, March 29, 2019, are entitled to vote. On that date, there were [ ] KeyCorp common shares outstanding. Holders of KeyCorp common shares are entitled to one vote for each share held of record.

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Proxy Statement Summary

This summary contains highlights of information contained elsewhere in our proxy statement and does not contain all of the information that you should consider. Please read the entire proxy statement before you vote.

Proposals for the Annual Meeting

Proposal	Page	Board Recommendation
1. Election of Directors You are being asked to elect 14 directors. Each of the nominees is standing for election to hold office until the 2020 Annual Meeting of Shareholders.	1	**FOR** **each nominee**
2. Auditor Ratification You are being asked to ratify the Audit Committee s appointment of Ernst & Young LLP as our independent auditor for fiscal year 2019. One or more representatives of Ernst & Young LLP will be present at the meeting to respond to appropriate questions from shareholders.	56	**FOR**
3. Say-on-Pay You are being asked to give advisory approval of compensation paid to KeyCorp s Named Executive Officers (as defined on page 24 of this proxy statement). This advisory vote is held on an annual basis.	57	**FOR**
4. KeyCorp s 2019 Equity Compensation Plan You are being asked to approve KeyCorp s 2019 Equity Compensation Plan for KeyCorp s employees and nonemployee directors. A copy of the 2019 Equity Compensation Plan is attached to this proxy statement as Appendix A.	58	**FOR**
5. Increase Number of Authorized Common Shares You are being asked to approve an amendment to KeyCorp s Articles of Incorporation to increase the number of authorized common shares.	68	**FOR**
	70	**FOR**

6. Authorize Board of Directors to Make Future Amendments to the Regulations

You are being asked to approve an amendment to KeyCorp s Regulations which would allow KeyCorp s Board of Directors to make future amendments to KeyCorp s Regulations.

2019 Director Nominees

		Director			Committee Memberships			
Name	**Age**	**Since**	**Independent**	**Audit**	**C&O**	**NCGC**	**Risk**	**Executive**
Bruce D. Broussard	56	2015	Yes					
Charles P. Cooley	63	2011	Yes	Chair				
Gary M. Crosby	64	2016	No					
Alexander M. Cutler (1)	67	2000	Yes			Chair		
H. James Dallas	60	2005	Yes					
Elizabeth R. Gile	63	2010	Yes				Chair	
Ruth Ann M. Gillis	64	2009	Yes					

William G. Gisel, Jr.	66	2011	Yes	Chair	
Carlton L. Highsmith	67	2016	Yes		
Richard J. Hipple	66	2012	Yes		
Kristen L. Manos	59	2009	Yes		
Beth E. Mooney	64	2010	No		Chair
Barbara R. Snyder	63	2010	Yes		
David K. Wilson	64	2014	Yes		

(1) Serves as KeyCorp s independent Lead Director.

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Proxy Statement Summary

Voting Your Shares

Who May Vote:	Voting Online:	Voting by Telephone:
Shareholders of record as of the close of business on March 29, 2019.	Registered holders can go to *www.envisionreports.com/key* and follow the instructions. If you hold your shares in street name, please follow the instructions found on your voting instruction form.	Follow the instructions in the Notice of Internet Availability of Proxy Materials or on your proxy card.

Voting by Mail:	Voting in Person:
Complete, sign, and date the proxy card and return it in the envelope that was provided in the proxy statement mailing package.	If you choose to attend the Annual Meeting in person, you will be asked to present photo identification and proof that you own KeyCorp common shares before entering the meeting. If you want to vote shares that you hold in street name in person at the Annual Meeting, you must bring a legal proxy in your name from the broker, bank, or other nominee that holds your shares.

Even if you plan to attend the Annual Meeting, we encourage all shareholders to vote in advance of the meeting.

2018 Performance Highlights

We marked another successful year for Key in 2018, as we continued to grow the company, invest for our future, and deliver on our financial commitments. Building on our momentum over the past several years, we improved our operating performance and drove stronger returns for our shareholders, while maintaining strong discipline around credit quality and capital management.

We achieved our sixth consecutive year of positive operating leverage, with revenue growth once again outpacing the increase in expenses. The combination of record revenue levels and strong expense discipline drove meaningful improvement in our long-term financial targets, including a 300 basis point improvement in both our cash efficiency and return on average tangible common equity ratios for the year.(1)

Highlights from our 2018 performance are detailed below:

Driving Stronger Returns

6th consecutive year of positive operating leverage

- Record full-year revenue of $6.4 billion
- All-time highs in several fee-based businesses, including investment banking and debt placement fees ($650 million in fiscal year 2018)
- Loan and deposit growth reflect execution of relationship-based business model within moderate risk profile
- Well-managed expenses reflect focus on efficiency and investments for growth

Growth in both consumer and commercial relationships across the franchise

Significant progress on long-term financial targets

- More than 300 basis point improvement in cash efficiency and return on average tangible common equity ratios(1)
- Progress on $200 million cost savings initiative announced in October 2018

Strong Risk Management

Steadfast commitment to maintaining moderate risk profile and strong underwriting standards

Net charge-offs to average loans of 0.26%; portfolios continued to perform well

Disciplined Capital Management

Maintained strong capital position

Common share dividend increased 62% ($0.105 to $0.17 per common share) in 2018

$1.1 billion in common share repurchases in 2018

(1) Non-GAAP financial measures. Please see the section entitled GAAP to Non-GAAP Reconciliations beginning on page 80 of our 2018 Annual Report on Form 10-K for more information on these non-GAAP measures and reconciliations to the most comparable GAAP measures.

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Executive Compensation Highlights

The objectives of our executive compensation program are to:

- Make pay decisions based on performance of the Company, the business unit, and the individual;
- Deliver pay in a way that reinforces focus on balancing short- and long-term financial performance objectives; and
- Support sustainable performance with policies that are focused on prudent risk-taking and the balance between risk and reward.

We manage to total pay opportunity (i.e., the sum of base salary and incentives), rather than making separate decisions on each element of pay, for each executive officer.

We support our compensation program with a number of best practices in governance and executive compensation, including the following:

What We Do:		What We Don t Do:
Impose robust stock ownership guidelines	×	No employment agreements for executive officers
Subject shares to post-vesting holding period	×	No tax gross-ups
Double trigger change of control agreements	×	No active SERPs
Use tally sheets	×	No hedging or pledging of KeyCorp securities
Review share utilization	×	No timing of equity grants

Retain an independent compensation consultant	×	No repricing of stock options
Subject all incentives to risk adjustment and clawback		

2018 was a successful year for KeyCorp. We continue to grow, invest for our future, and deliver on our financial commitments. We continue to deliver results and drive shareholder returns through sound profitable growth across our franchise, while effectively managing risk and capital. We believe that our distinctive business model, targeted scale, and focused execution position us to outperform. Our 2018 compensation highlights include:

What we did	How we delivered
We delivered on our short-term financial plan.	The KeyCorp 2018 Annual Incentive Plan performed at 105% based on the achievement of our short-term financial goals, although we opted to limit awards to Named Executive Officers to 100% of funding.
We achieved our long-term financial performance targets.	The 2016-2018 Long-Term Incentive Plan (performance awards) performed at 98.1% of target as our Return on Assets was above the 50th percentile of our Peer Group and Cumulative Earnings per Share exceeded our three-year financial plan, although results were offset by our total shareholder return, which fell short of the 50th percentile of our peer group.
	The payout under the 2016-2018 Long-Term Incentive Plan (performance awards) also reflected significant share price appreciation from 2016-2018 (grant date share price of $10.49 and settlement date share price of $17.51.)
Our Chief Executive Officer was awarded $10.08 million in total direct compensation for our performance for 2018.	2018 compensation of our Chief Executive Officer included a $2.50 million annual incentive paid for 2018 and a $6.38 million long-term incentive granted in 2019.

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Proxy Statement Summary

Corporate Governance Practices

We are committed to meeting high standards of ethical behavior, corporate governance, and business conduct. Some of our corporate governance best practices include:

Director Elections	Annual elections for all directors (page 1) Majority voting in uncontested elections (page 3)
Board Independence	All director nominees, other than Ms. Mooney and Mr. Crosby, are independent under the New York Stock Exchange s and KeyCorp s standards of independence (page 16) Our standing Board committees (Audit, Compensation and Organization, Nominating and Corporate Governance, and Risk) consist solely of independent directors (page 11) Independent Lead Director Alexander M. Cutler with extensive responsibilities (page 11) Annual Lead Director evaluation and review of Board leadership structure by independent directors (pages 11 and 12) Prior approval from the Lead Director of the Board agenda, schedule, and materials (page 11)

Standing Board Committees			
	Audit Committee	14 meetings in 2018	(page 13)
	Compensation and Organization Committee	7 meetings in 2018	(page 14)
	Nominating and Corporate Governance Committee	6 meetings in 2018	(page 13)
	Risk Committee	8 meetings in 2018	(page 14)

Practices

and Policies

Experienced, diverse Board membership

Commitment to Board refreshment, with an average tenure of approximately seven years and three new directors added since 2015 (page 11)

Independent and non-management members of the Board met in executive session at every regular 2018 Board meeting (page 12)

Approximately 96% average attendance by directors at Board and committee meetings (page 12)

Annual self-assessments conducted by the Board, each committee, and each director

	Strong Board leadership in the oversight of enterprise risk (pages 15 and 16)
	Annual disclosure of KeyCorp political spending (page 19)
	Strong director education program (page 18)

Shareholder Engagement	Active shareholder engagement program (pages 17 and 18) Directors are available to meet with our shareholders

For a more detailed discussion concerning KeyCorp s corporate governance practices, please refer to the section entitled The Board of Directors and Its Committees beginning on page 11 of this proxy statement.

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PROPOSAL ONE: Election of Directors

Our Board of Directors (the Board), elected by KeyCorp s shareholders, oversees the business and management of KeyCorp. Members of the Board monitor and evaluate KeyCorp s business performance through regular communication with the Chief Executive Officer and senior management and by participating in Board and Board committee meetings. The Board is committed to sound and effective corporate governance policies and high ethical standards. The size of the Board is fixed at 14 members. Under KeyCorp s Regulations, directors are elected to one-year terms expiring at each subsequent Annual Meeting of Shareholders.

Director Recruitment and Qualifications

The Nominating and Corporate Governance Committee is responsible for identifying, evaluating, and recommending to the Board a slate of nominees for election at each Annual Meeting of Shareholders. All director nominees must have a record of high integrity and other requisite personal characteristics and must be willing to make the time commitment required of directors. The Nominating and Corporate Governance Committee uses the following criteria when evaluating director nominee candidates:

- demonstrated breadth and depth of management and/or leadership experience, preferably in a senior leadership role with a large or recognized organization (private sector (profit or nonprofit), governmental, or educational);

- a high level of professional or business expertise relevant to KeyCorp (including, among others, information technology, marketing, finance, banking or the financial industry, or risk management);

- in the case of non-employee directors, satisfaction of the independence criteria set forth in KeyCorp s Standards for Determining Independence of Directors;

- service as a director for not more than (i) two other public companies if he or she is a senior executive officer of a public company, or (ii) three other public companies if he or she is not a senior executive officer of a public company; and

- the ability to think and act independently, as well as the ability to work constructively in the overall Board process.

The criteria used in director recruitment are flexible guidelines to assist in evaluating and focusing the search for director candidates.

The Board also considers whether the candidate would enhance the diversity of the Board in terms of gender, race, experience, and/or geography. The current composition of the Board reflects the Nominating and Corporate Governance Committee s focus in this area and the importance of diversity to the Board as a whole, with five female directors, including the Chairman of our Board, and two minority directors.

In evaluating Board nominees who satisfy the above criteria, the committee also considers:

- the skills and business experience currently needed for the Board by using a comprehensive skills matrix;
- the current and anticipated composition of the Board in light of the business activities and strategic direction of KeyCorp and the diverse communities and geographies served by KeyCorp; and
- the interplay of the candidate s expertise and professional/business background in relation to the expertise and professional/business background of current Board members, as well as such other factors (including diversity) as the committee deems appropriate.

The Chair of the Nominating and Corporate Governance Committee extends an invitation to join the Board as a first-time director or to stand for election as a first-time nominee for director after discussion with and approval by the committee as a whole. The Nominating and Corporate Governance Committee then recommends the candidate to the entire Board for final approval.

The Nominating and Corporate Governance Committee retains an independent search firm to assist with identifying director candidates. The Nominating and Corporate Governance Committee has the sole authority to retain and terminate any search firm used to identify director candidates, including sole authority to approve its fees and the other terms of its engagement.

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PROPOSAL ONE: Election of Directors

The Nominating and Corporate Governance Committee utilizes a matrix approach that tracks each director s and director nominee s qualities and qualifications in a tabular format to assist the committee in maintaining a well-rounded, diverse, and effective Board. In addition, the matrix approach helps the Nominating and Corporate Governance Committee identify any qualities, qualifications, and experience for potential director nominees that would help improve the composition of and add value to the Board. The Nominating and Corporate Governance Committee seeks directors who have held leadership positions in public companies and have experience in the banking or financial industry, cybersecurity, finance, marketing, mergers and acquisitions, regulatory matters, retail and small business, and risk management. The chart below describes the qualifications and experience of our non-management directors who currently serve on the Board:

Banking and Financial Industry

5 Directors

We value directors who have experience in our industry. The First Niagara merger allowed us to increase the number of directors with experience in the banking industry.

Cybersecurity

8 Directors

We rely heavily on information technology systems to conduct our business. A significant portion of our operations relies on the secure processing, storage, and transmission of personal and confidential information, such as the personal information of our customers. Cybersecurity experience is an important skill that we value in our directors.

Finance

9 Directors

We use numerous financial metrics to measure our performance and are also required to maintain certain minimum capital ratios. An understanding of finance and accounting is an important qualification for our directors. Two of our directors qualify as audit committee financial experts under SEC regulations.

Marketing

4 Directors

We operate in a highly competitive industry. As we strive to grow organically and increase our market share, having directors who have marketing experience is important to us.

Mergers and Acquisitions

9 Directors

We regularly evaluate merger and acquisition and strategic partnership opportunities. We value directors who have experience with mergers and acquisitions.

Regulatory

6 Directors

Because we are subject to specialized regulations as a financial institution, we find it valuable to have directors with knowledge of banking regulations. Our Board also benefits from having a director who is a former bank regulator.

Retail and Small Business

3 Directors

We provide banking products to our customers, including small businesses, through our network of branches and ATMs. We believe that directors with retail and small business experience provide valuable insight into our retail branch network.

Risk Management

7 Directors

Effectively managing risk and reward is one of Key s strategic priorities. In light of the Board s role in overseeing risk management and understanding the most significant risks facing Key, having directors with risk management experience is important to us.

The Nominating and Corporate Governance Committee is continually in the process of identifying potential director candidates, and individual Board members are encouraged to submit any potential nominee to the Chair of the Nominating and Corporate Governance Committee. Shareholders may also submit potential director nominees by providing appropriate prior written notice to the Secretary of KeyCorp. The Nominating and Corporate Governance Committee will consider suggestions by shareholders concerning qualified candidates for election as directors. Page 74 of this proxy statement includes important information for shareholders who intend to submit a director nomination for the 2020 Annual Meeting of Shareholders.

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PROPOSAL ONE: Election of Directors

Election Process

KeyCorp has adopted a majority voting standard in uncontested elections of directors and plurality voting in contested elections. In an uncontested election, a nominee must receive a greater number of votes FOR than AGAINST his or her election. If an uncontested nominee who is already a director receives more AGAINST votes than FOR votes, that director nominee will continue to serve as a holdover director, but must submit to the Board an offer to resign as a director. The Nominating and Corporate Governance Committee will consider the holdover director s resignation and will submit a recommendation to accept or reject the resignation to the Board. The Board (excluding the holdover director) will act on the committee s recommendation and publicly disclose its decision.

2019 Nominees for Director

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated the individuals identified on the following pages for election as directors. Each nominee is currently a director of KeyCorp. Biographical information for each nominee is provided as of the most recent practicable date. The Board believes that the qualifications and experience of the director nominees, as described below, will continue to contribute to an effective and well-functioning Board. The Board and the Nominating and Corporate Governance Committee believe that the directors, individually and as a whole possess the necessary qualifications to provide effective oversight of KeyCorp s business, as well as quality advice and counsel to KeyCorp s management.

If elected, each nominee will continue to serve as a director until KeyCorp s 2020 Annual Meeting of Shareholders or until his or her successor is duly elected and qualified or he or she resigns or is otherwise removed. There is no reason to believe that any of these director nominees will be unable or unwilling to serve if elected. Should any nominee be unable to accept nomination or election, the proxies may be voted for the election of a substitute nominee recommended by the Board. Alternatively, the Board may recommend a shareholder vote holding the position vacant, to be filled by the Board at a later date.

The Board of Directors unanimously recommends that shareholders vote **FOR**

each of the following director nominees.

Bruce D. Broussard

Biography:

Age: 56

Director Since: 2015

KeyCorp Committee(s):

Compensation and Organization

Mr. Broussard is President and Chief Executive Officer and a director of Humana, Inc., a publicly-held health and well-being company. Prior to his election as Humana s Chief Executive Officer in 2013 and as President in 2011, Mr. Broussard held numerous senior executive and senior financial roles with McKesson Corporation, a health care services company, and its predecessor U.S. Oncology. Mr. Broussard also previously served as a director of U.S. Physical Therapy, Inc. from 1999 to 2011. Mr. Broussard is a member of The Business Council and the World Economic Forum Health Governors Board.

Select Qualifications and Experience:

Significant executive leadership experiences in the highly-regulated healthcare and insurance industries, including Chief Executive and Chief Financial Officer roles with Humana, McKesson Corporation, Harbor Dental, Inc., Sun Healthcare Group, Inc., and Regency Health Services, Inc.

Extensive financial and accounting background with healthcare and health insurance companies and major global accounting firms.

Other Public Directorships:

Humana, Inc. (since 2013)

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PROPOSAL ONE: Election of Directors

Charles P. Cooley

Age: 63

Director Since: 2011

KeyCorp Committee(s):

Audit (Chair)

Nominating and Corporate Governance

Executive

Biography:

Mr. Cooley was Chief Financial Officer of The Lubrizol Corporation, a manufacturer of specialty chemicals and technologies in the global transportation, industrial, and consumer markets, from 1998 until his retirement in 2011. Mr. Cooley had global responsibility for The Lubrizol Corporation s finance function and its corporate development and strategic planning activities. Mr. Cooley is Chair of the board of trustees of Hawken School in Cleveland and a trustee of the Cleveland Institute of Music. He is also a member of the board of directors of KeyBank National Association.

Select Qualifications and Experience:

Former Chief Financial Officer of The Lubrizol Corporation, where he was responsible for finance, accounting, and capital planning. Held finance positions of increasing responsibility at Atlantic Richfield Company for over fifteen years, including treasury, capital markets, corporate development, financial reporting, and operating segment financial management. Mr. Cooley qualifies as an audit committee financial expert as defined by the Securities and Exchange Commission.

As Chief Financial Officer of The Lubrizol Corporation, had significant responsibility for financial risk management of a global publicly-traded enterprise.

Other Public Directorships:

Modine Manufacturing Company (since 2006)

Gary M. Crosby

Biography:

Age: 64

Director Since: 2016

Mr. Crosby joined the Board in August 2016 in connection with the First Niagara merger. Mr. Crosby served as President and Chief Executive Officer and as a director of First Niagara from 2013 through the consummation of the merger. He joined First Niagara as Chief Administrative Officer in 2009 and served as Chief Operating Officer from 2010-2013. In 2004, Mr. Crosby was asked to help the Buffalo City School District as Chief Financial Officer and Chief Operating Officer and provided his service to the district by spearheading its financial management reform until 2009. Mr. Crosby also was a venture capital partner with Seed Capital Partners and a founding shareholder of ClientLogic Corporation, serving as Chief Financial and Chief Operating Officer. He has also held senior financial leadership positions in banking and manufacturing and was a CPA with KPMG Peat Marwick.

Mr. Crosby is President of the board of First Niagara Foundation, director of the Buffalo Public Schools Foundation, Trustee Emeritus of the YMCA Buffalo Niagara, director of the Community Foundation for Greater Buffalo, a director of AAA Western and Central New York, and a director of Kaleida Health.

Select Qualifications and Experience:

As former Chief Executive Officer of First Niagara, brings extensive knowledge of the First Niagara businesses and the geographic markets in which First Niagara operated as well as leadership experience in the banking industry.

Significant experience in financial management, accounting, operations, risk management, mergers and acquisitions, and integration of acquired companies from a distinguished career as Chief Financial Officer, Chief Operating Officer, and Chief Executive Officer across a wide variety of industries and public companies.

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Alexander M. Cutler

Age: 67

Director Since: 2000

Biography:

Mr. Cutler is KeyCorp s independent Lead Director. From 2000 through May of 2016, he was Chairman and Chief Executive Officer of Eaton Corporation plc, a publicly-held, global diversified power management company with approximately 96,000 employees that sells products to customers in more than 175 countries. He is a member of the board of directors of the United Way of Greater Cleveland and the Musical Arts Association.

KeyCorp Committee(s):

Nominating and Corporate Governance (Chair)

Compensation and Organization

Executive

Select Qualifications and Experience:

Experience across a wide range of senior management and executive roles with Eaton Corporation plc and certain of its predecessor companies. Significant corporate governance experience and public company board experience through his role as Chairman of Eaton Corporation plc, his service on the DowDuPont Inc. board, and as a former member of the Executive Committee of the Business Roundtable.

Extensive experience negotiating and completing acquisitions and divestitures and integrating acquired companies gained through leadership positions with Eaton Corporation plc.

Other Public Directorships:

DowDuPont Inc. (since 2008)

Eaton Corporation plc (2000 2016)

H. James Dallas

Age: 60

Director Since: 2005

KeyCorp Committee(s):

Audit

Biography:

In 2013, Mr. Dallas retired as Senior Vice President of Quality and Operations at Medtronic Inc., a global medical technology company. Mr. Dallas, who joined Medtronic Inc. in 2006, had previously served as Senior Vice President and Chief Information Officer at Medtronic Inc. Mr. Dallas s responsibilities included executing cross-business initiatives to maximize the company s global operating leveraging. Mr. Dallas also served as a member of Medtronic Inc. s executive management team. Mr. Dallas is an independent consultant focusing on change management, information technology strategy, and risk. He also serves as Chairman of the Atlanta Community Food Bank and a director of Grady Memorial Hospital Corporation.

Select Qualifications and Experience:

Significant experience with information technology, information technology security, and data privacy, including prior service as the Chief Information Officer of Medtronic Inc. and, prior to that, as Chief Information Officer of Georgia-Pacific Corporation.

As Chief Information Officer for major public corporations, had primary responsibility for risks related to information technology and security. As Senior Vice President of Quality and Operations with Medtronic Inc., held significant responsibility for operational risk management.

Other Public Directorships:

WellCare Health Plans, Inc. (since 2016)

Strategic Education, Inc. (formerly Cappella Education Company) (since 2015)

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PROPOSAL ONE: Election of Directors

Elizabeth R. Gile

Age: 63

Director Since: 2010

KeyCorp Committee(s):

Risk (Chair)

Nominating and Corporate Governance

Biography:

In 2005, Ms. Gile retired from Deutsche Bank AG where she was Managing Director and the Global Head of the Loan Exposure Management Group since 2003. From 2007 to 2009, Ms. Gile was Managing Director and Senior Strategic Advisor to BlueMountain Capital Management, a hedge fund management company. Ms. Gile has been a director of Deutsche Bank Trust Corporation and Deutsche Bank Trust Company Americas since 2005 and a director of Watford Re Ltd. since 2017. Ms. Gile is a trustee and Secretary of the board of the Brooklyn Botanic Garden.

Select Qualifications and Experience:

A distinguished career in the banking, finance, and capital markets industries with leading global financial institutions. Significant roles with J.P. Morgan, Deutsche Bank AG, and Toronto Dominion Securities managing loan portfolios, capital markets, derivatives and corporate lending transactions, and credit research.

As Global Head of the Loan Exposure Management Group for Deutsche Bank AG, had global responsibility for managing the credit risk of loans and lending-related commitments, giving her experience in identifying, assessing, and managing risk exposures of a large, complex financial firm.

Ruth Ann M. Gillis

Age: 64

Director Since: 2009

KeyCorp Committee(s):

Risk

Biography:

From 2008 until her retirement in 2014, Ms. Gillis served as Executive Vice President and Chief Administrative Officer of Exelon Corporation, a publicly-held electric utility company. Ms. Gillis also served as President of Exelon Business Services Company, a subsidiary of Exelon Corporation. She served as a member of Exelon Corporation s executive committee, pension investment committee, and the corporate risk management committee, and was a member of the Exelon Foundation Board. Prior to those roles, she served as Executive Vice President of Commonwealth Edison Company and as Chief Financial Officer of Exelon Corporation. Ms. Gillis is an honorary trustee of the University of Chicago Cancer Research Foundation, serves on the board of directors of the Lyric Opera of Chicago, and is a life trustee of the Goodman Theatre.

Select Qualifications and Experience:

Extensive finance, management, operational and risk management expertise and history of accomplishment and executive ability as Chief Administrative Officer and Chief Financial Officer of Exelon Corporation.

Significant experience leading complex organizations in highly-regulated industries such as banking, healthcare, and utilities.

Other Public Directorships:

Voya Financial Inc. (since 2015)

Snap-on Incorporated (since 2014)

Potlatch Corporation (2003 2013)

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William G. Gisel, Jr.

Age: 66

Director Since: 2011

KeyCorp Committee(s):

Compensation and Organization (Chair)

Nominating and Corporate Governance

Biography:

Mr. Gisel is Chief Executive Officer of Rich Products Corporation, a global manufacturer and supplier of frozen foods with annual sales of approximately $3.5 billion. Rich Products Corporation is a leading supplier to the consumer products, food service, and bakery segment of the food industry internationally. Prior to becoming Chief Executive Officer in 2006, Mr. Gisel began his career at Rich Products Corporation as General Counsel and also spent four years at Philips, Lytle, LLC. Mr. Gisel is a member of the board of directors of the Grocery Manufacturers Association and Director and Chairman of the John R. Oishei Foundation.

Select Qualifications and Experience:

In various capacities with Rich Products Corporation, led the company s expansion into foreign markets, including Asia, Africa, Europe, and Latin America. As President of Rich Products Corporation s Food Group and its Chief Operating Officer, managed the international expansion of Rich Products Corporation through acquisitions and organic growth.

As Chief Executive Officer of Rich Products Corporation, responsible for directing the company s overall strategy and its worldwide business operations. Has held positions of increasing responsibility with Rich Products Corporation, including as Chief Operating Officer and President of the company s Food Group and Executive Vice President for International and Strategic Planning.

Other Public Directorships:

Moog Inc. (since 2012)

MOD-PAC CORP. (2002 2013)

Carlton L. Highsmith

Age: 67

Director Since: 2016

KeyCorp Committee(s):

Nominating and Corporate Governance

Risk

Biography:

Mr. Highsmith joined the Board in August 2016 in connection with the First Niagara merger. He was a member of the board of First Niagara since 2011, serving on the Governance/Nominating Committee and the Audit Committee. He previously served on the board of NewAlliance Bancshares from 2006 until it was acquired by First Niagara in 2011. He founded The Specialized Packaging Group (SPG) based in Hamden, Connecticut in 1983, and served as its President and Chief Executive Officer from 1983 to 2009. Mr. Highsmith is Vice Chairman of the board of trustees of Quinnipiac University, Chairman of the Connecticut Center for Arts & Technology, Treasurer of the National Center for Arts & Technology, a trustee of the Yale-New Haven Hospital System, and a trustee and Chairman of the Investment Committee of the Community Foundation for Greater New Haven. He previously served on the Federal Reserve Bank of Boston Community Development Advisory Council of New England.

Select Qualifications and Experience:

Successful corporate executive and entrepreneur with significant bank board experience, having served on the board of directors of both NewAlliance and First Niagara.

Under Mr. Highsmith s leadership, SPG grew to become the largest minority owned, and 7th largest overall, manufacturer of paperboard packaging in North America before it merged with PaperWorks Industries in 2009.

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PROPOSAL ONE: Election of Directors

Richard J. Hipple

Age: 66

Director Since: 2012

KeyCorp Committee(s):

Audit

Biography:

Mr. Hipple retired as Executive Chairman of Materion Corporation, a publicly-held manufacturer of highly engineered advanced materials and related services, in December 2017. Mr. Hipple previously served as Chairman of the Board and Chief Executive Officer of Materion Corporation from 2006 to 2017 and President from 2005 to 2017. Prior to that, Mr. Hipple served in the steel industry for 26 years in a number of capacities, including project engineer, strategic planning, supply chain management, operations, sales and marketing, and executive management. Mr. Hipple is Chairman of the board of trustees of the Cleveland Institute of Music.

Select Qualifications and Experience:

Extensive exposure to global commerce as former Chief Executive Officer of Materion Corporation, which serves customers in more than 50 countries and employs 2,500 people worldwide. Additionally, experience as a director at Ferro Corporation, Barnes Group Inc., and Luxfer Holdings PLC which represent manufacturing companies with leading technologies, broad international footprints, and market diversity. With significant experience in the oversight and management of financial risks, Mr. Hipple qualifies as an audit committee financial expert as defined by the Securities and Exchange Commission.

Significant corporate governance and executive-level management experience, including as the Executive Chairman and President and Chief Executive Officer of Materion Corporation and as Chairman of the compensation committee of both Ferro Corporation and Luxfer Holdings PLC.

Other Public Directorships:

Luxfer Holdings PLC (since 2018)

Barnes Group Inc. (since 2017)

Ferro Corporation (2007 2018)

Materion Corporation (2006 2017)

Kristen L. Manos

Age: 59

Director Since: 2009

KeyCorp Committee(s):

Biography:

Ms. Manos is a partner with Sanderson Berry, a business strategy and advisory services firm. In 2014, Ms. Manos retired as President, Americas of Wilsonart LLC, the leading producer of high pressure decorative laminate products in North America. From 2004 to 2009, Ms. Manos served as President of Herman Miller North American Office and Executive Vice President of Herman Miller Inc., a global manufacturer and distributor of furnishings for a wide variety of professional and residential environments. Ms. Manos serves on the boards of two employee-owned companies, Columbia Forest Products, Inc. and Dexter Apache Holdings, Inc., and two private-equity-backed companies, C.H.I. Overhead Doors, LLC and Innovative Ergonomic Solutions LLC. She previously served on the board of International Relief and Development, where she also served as Interim Chief Executive Officer for four months in 2014. Ms. Manos is currently a director of the board of Kickstart International.

Audit

Executive

Select Qualifications and Experience:

As President, Americas, of Wilsonart LLC, responsible for the direction and operation of a $600 million organization, and led the company through its sale to a private equity firm. In prior roles as Executive Vice President and President of Herman Miller North American Office Environments, was responsible for the direction and operation of a $1.5 billion organization. Participated in corporate risk evaluation, risk management, and scenario planning for both Wilsonart and Herman Miller, as well as for Herman Miller clients related to their facilities.

During her tenure with Herman Miller, Inc., held responsibility for marketing and development where she established a branding strategy and a vertical selling strategy in education and healthcare. Responsible for high-level business strategy, development, and assessment as a partner with Sanderson Berry.

Other Public Directorships:

American Capital, Ltd. (2015 2017)

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Beth E. Mooney

Biography:

Age: 64

Director Since: 2010

KeyCorp Committee(s):

Executive (Chair)

Ms. Mooney has been KeyCorp s Chairman and Chief Executive Officer since May 1, 2011. She was elected President and Chief Operating Officer on November 18, 2010, and served in that role until she became Chairman and Chief Executive Officer. Ms. Mooney joined KeyCorp in 2006 as Vice Chair and head of Key Community Bank. Prior to joining KeyCorp, Ms. Mooney served in a number of executive and senior finance roles with banks and bank holding companies including AmSouth Bancorp (where she served as Chief Financial Officer), Bank One Corporation, Citicorp Real Estate, Inc., Hall Financial Group, and Republic Bank of Texas/First Republic. Ms. Mooney is a member of The Clearing House, The Business Council, and the Bank Policy Institute, a board member of the Greater Cleveland Partnership, Catalyst, and the United Way of Greater Cleveland, a trustee and Treasurer of the board of the Musical Arts Association, and Vice Chair and a trustee of the Cleveland Clinic Foundation. On January 1, 2019, Ms. Mooney was appointed to a third one-year term as the Fourth Federal Reserve District s representative on the Federal Advisory Council.

Select Qualifications and Experience:

Over 30 years of financial services experience in retail banking, commercial lending, and real estate financing with KeyCorp and other significant banking organizations across the United States. Significant executive and leadership experience in prior roles such as Chief

Operating Officer of KeyCorp and Chief Financial Officer of AmSouth Bancorp.

As Chief Executive Officer and former Chief Operating Officer of KeyCorp, leads the operations of one of the largest financial service companies in the United States with nearly 20,000 employees. Provides critical insight on KeyCorp s business and operations to the Board of Directors.

Other Public Directorships:

AT&T (since 2013)

Barbara R. Snyder

Age: 63

Director Since: 2010

KeyCorp Committee(s):

Compensation and Organization

Executive

Biography:

Ms. Snyder has been President of Case Western Reserve University, a private research university located in Cleveland, Ohio, since 2007. Prior to joining Case Western Reserve University, Ms. Snyder served as Executive Vice President and Provost of The Ohio State University (OSU). She served as a faculty member of OSU s Moritz College of Law from 1998 to 2007. From 2000 to 2007, she held the Joanne W. Murphy/Classes of 1965 and 1973 Professorship at OSU. Ms. Snyder serves on the boards of several nonprofit organizations including the Greater Cleveland Partnership, the Ohio Business Roundtable, and Internet 2, a consortium of research organizations to develop networking and advanced technologies for research and education. She was Chair of the board and is currently a director of the Business-Higher Education Forum, an organization of senior business and higher education leaders dedicated to strengthening America s competitiveness by partnering on workforce solutions, and is Chair of the board of the American Council on Education, which represents 1,800 colleges and universities.

Select Qualifications and Experience:

President of Case Western Reserve University, one of the nation s leading universities and a major private research institution with significant focus on science, engineering, and technology. Since 2007, Case Western Reserve University has tripled undergraduate admissions applications, become twice as selective, and dramatically increased the academic quality of the entering class.

Under Ms. Snyder s leadership, Case Western Reserve University has experienced unprecedented fundraising success, setting new records for annual attainment and reaching a $1.5 billion capital campaign goal one and a half years ahead of schedule, with a final attainment of $1.82 billion.

Other Public Directorships:

Progressive Insurance Corporation (since 2014)

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PROPOSAL ONE: Election of Directors

David K. Wilson

Age: 64

Director Since: 2014

KeyCorp Committee(s):

Risk

Biography:

Until his retirement in January 2014, Mr. Wilson served in a variety of positions with the Office of the Comptroller of the Currency (OCC) over the course of a 32-year career, including as Examiner-In-Charge (EIC) of two global banks and in a number of policy focused roles. In 2009, Mr. Wilson transitioned from Large Bank EIC into policy work, initially as Senior National Bank Examiner and co-chair of the OCC s National Risk Committee. In 2010, he was appointed Deputy Comptroller for Credit and Market Risk. He then briefly served as Senior Deputy Comptroller and Chief National Bank Examiner before returning to the field as an EIC. Mr. Wilson is an independent consultant focusing on bank regulatory and risk strategy matters. He is also a member of the board of directors of KeyBank National Association.

Select Qualifications and Experience:

Significant bank regulatory and risk strategy expertise, including providing advice and counsel to the Comptroller of the Currency, testifying before Congress, developing policy, and regulatory rulemaking following the Dodd-Frank Act.

Extensive experience and understanding of the financial services regulatory climate, including participating in the Financial Stability Oversight Council (FSOC), serving as the OCC representative on FSOC s Systemic Risk Committee, and chairing the Federal Financial Institutions Examination Council Task Force on Supervision.

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The Board of Directors and Its Committees

The Board is comprised of 12 independent directors, one member of management (Ms. Mooney), and one non-management, non-independent director (Mr. Crosby). Three of our directors have joined the Board since 2015, including two directors as a result of the First Niagara merger. The average tenure of our current Board members is approximately seven years.

Board Leadership Structure

Our Board is committed to independent Board leadership. The Board s independent leadership and oversight responsibilities are realized through the guidance of our independent Lead Director, our independent Board committee chairs, and the full involvement of each of our independent directors. KeyCorp s independent directors have elected Alexander M. Cutler as the Board s independent Lead Director for 2019.

Among his specific responsibilities, the independent Lead Director:

- presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent and non-management directors held after each regularly scheduled Board meeting;
- serves as liaison between the Chairman and the independent and non-management directors;
- approves Board meeting schedules as well as meeting materials and agendas for each full Board meeting and executive sessions of independent and non-management directors;
- has the authority to call meetings of the independent and non-management directors or the full Board at any time;
- participates in discussions with major shareholders regarding governance matters as part of KeyCorp s proactive shareholder engagement;
- is in frequent contact with the Chairman with respect to major issues and strategic opportunities before KeyCorp, and any significant actions contemplated by KeyCorp are discussed with the Lead Director at an early stage;

- advises on the retention of independent consultants to the Board;

- interviews all candidates for election to the Board;

- oversees changes to the composition of Board committees;

- assists the Board and management in assuring compliance with applicable securities laws and fiduciary duties to shareholders;

- oversees initiatives to implement enhancements to KeyCorp s governance policies and the Corporate Governance Guidelines;

- serves as a focal point for independent Committee Chairs, providing guidance, coordination, and advice for the committees;

- together with the Chair of the Compensation and Organization Committee, facilitates the evaluation of the performance of KeyCorp s Chief Executive Officer; and

- is available for additional duties as they may arise.

The Lead Director seeks input from independent and non-management directors during executive sessions with respect to items to be included on the agenda for each Board meeting and provides feedback from the independent and non-management directors while engaging in the agenda-building process.

Annually, the independent and non-management directors assess the effectiveness of the Lead Director and provide feedback on the performance of the Lead Director s specified responsibilities. The formal evaluation process is conducted with the Lead Director excused from participation.

Each standing committee of the Board is chaired by an independent director and consists solely of independent directors. Our independent directors have extensive corporate governance and leadership experience, and many have significant public company experience. Three of our independent directors are or have been chief executive officers with public companies.

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The Board of Directors and Its Committees

In 2011, the Board elected Beth Mooney as KeyCorp s Chairman and Chief Executive Officer. The Board believes that KeyCorp has been well served by Ms. Mooney s combined role as Chairman and Chief Executive Officer. Ms. Mooney s combined leadership role has allowed her to set the overall tone and direction for KeyCorp, maintain consistency in the internal and external communication of our strategic and business priorities, and have primary responsibility for managing KeyCorp s operations. Our many conversations between our directors and our shareholders regarding their views on Board leadership and independent oversight have confirmed our view that a strong, effective Lead Director, like Mr. Cutler, an independent Board, and independent key committees provide the independent leadership necessary to balance the combined Chairman and Chief Executive Officer role and, with the formal and informal mechanisms we have in place to facilitate the work of the Board and its committees, results in the Board effectiveness and efficiency that our shareholders expect.

The Board annually (or more often if a new Chief Executive Officer is selected) evaluates KeyCorp s leadership structure to assess whether it remains appropriate for the Company, taking into account a variety of factors including KeyCorp s size, the nature of its business, the regulatory framework in which it operates, and the leadership structure of its peers. Additionally, our Regulations provide the Board with flexibility to separate or combine the roles of Chairman and Chief Executive Officer as it deems necessary from time to time and on a case-by-case basis. The Board believes that a primary consideration for KeyCorp is that, as a large financial institution subject to significant regulation, KeyCorp must communicate swiftly and consistently with our stakeholders, including our regulators. We believe that swift and consistent communication is significantly furthered by KeyCorp s leadership, through our Chairman and Chief Executive Officer, speaking as a single voice on behalf of both the Board and management.

Board and Committee Responsibilities

KeyCorp s Board of Directors delegates various responsibilities and authority to its four standing committees: Audit, Nominating and Corporate Governance, Compensation and Organization, and Risk. The Board has also established an Executive Committee that serves the functions described on page 14 of this proxy statement. The committees regularly report on their activities and actions to the full Board. The Board, with the recommendation of the Nominating and Corporate Governance Committee and in consultation with the Lead Director, appoints the members of the committees, and has determined that each member of a standing committee is an independent director under New York Stock Exchange independence standards.

The Board held nine meetings during 2018. At every regularly-scheduled Board meeting, the independent and non-management members of the Board met in executive session (i.e., without Ms. Mooney or any other employee of KeyCorp present). The members of the Board attended, on average, approximately 96% of Board meetings and committee meetings held during 2018. No director attended less than 75% of such meetings. KeyCorp Board members are expected to attend the Annual Meeting of Shareholders, and all Board members serving at that time did so for the 2018 Annual Meeting of Shareholders.

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The following describes the responsibilities and current membership of the standing committees of the Board and the number of times each committee met in 2018.

Audit Committee

Chair:	**Primary Responsibilities**
Charles P. Cooley	Oversees the development of, and reviews, the financial information provided to KeyCorp s shareholders
Other Members:	
H. James Dallas Richard J. Hipple Kristen L. Manos	Is directly responsible for the appointment, compensation, retention, and oversight of our independent auditor, oversees the audit fees negotiations with our independent auditor, and has sole authority to approve audit fees
	Has responsibility over all KeyCorp internal audit and credit risk review functions, financial reporting, legal matters, and fraud risk
Number of Meetings in 2018: 14	Oversees any material examinations of KeyCorp and its affiliates conducted by federal, state, or other authorities, and may supervise and direct any other special projects or investigations the committee deems necessary
	Together with the Risk Committee, oversees and reviews our allowance for loan and lease losses methodology and monitors operational risk, and
	Serves as the audit committee for KeyCorp s subsidiary, KeyBank National Association.

Independence

The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (the Exchange Act). The Board has determined that all members of the Audit Committee are independent as that term is defined in Section 303A.02 of the New York Stock Exchange s listing standards.

Audit Committee Financial Experts

The Board of Directors has determined that Mr. Cooley and Mr. Hipple each qualify as an audit committee financial expert, as defined in Item 407(d)(5) of Regulation S-K.

Nominating and Corporate Governance Committee

Chair:	**Primary Responsibilities**
Alexander M. Cutler	Recommends to the Board nominees to stand for election as directors
Other Members: Charles P. Cooley Elizabeth R. Gile William G. Gisel, Jr. Carlton L. Highsmith	Oversees the annual Board self-assessment process (including individual director self-assessments and the evaluation of the Lead Director), as well as KeyCorp s policies and practices on significant issues of corporate social responsibility Oversees corporate governance matters generally Oversees and reviews KeyCorp s directors and officers liability insurance program
Number of Meetings in 2018: 6	Supports the Compensation and Risk Committees by facilitating a meeting of all independent Board committee Chairs to discuss the linkage between enterprise risk and compensation at KeyCorp, and With the aid of market data, annually reviews and recommends to the Board a director compensation program that may include equity-based incentive compensation (no executive officer of KeyCorp has any role in determining the amount of director

compensation, although the committee may seek assistance from our executive officers in designing equity compensation programs for directors).

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The Board of Directors and Its Committees

Compensation and Organization Committee

Chair:	**Primary Responsibilities**
William G. Gisel, Jr.	Supports KeyCorp s efforts to attract, retain, develop, and reward talent so that we can achieve our business objectives
Other Members:	
Bruce D. Broussard Alexander M. Cutler Barbara R. Snyder	Is responsible for overseeing the compensation of our senior executives, certain of our compensation programs, and our talent management and organizational development processes
	Evaluates the competitiveness of our compensation programs and assesses the effectiveness of our leadership development and strategic hiring objectives
Number of Meetings in 2018: 7	Oversees the process for developing, implementing, and administering succession planning for the Chairman and Chief Executive Officer and assesses succession planning for key executives
	Approves the performance goals, performance objectives, and the compensation of our Chief Executive Officer and other senior executives and evaluates their performance relative to those goals and objectives
	Establishes our overall compensation philosophy and oversees the implementation of this philosophy as it relates to our incentive compensation arrangements, including through approval of our incentive compensation policy

Is responsible for enforcing the compensation clawback policy

Appoints, directs, and oversees its independent advisors and performs additional duties described in its Charter, and

May delegate its authority to a subcommittee of its members and may allow limited delegations to management.

Independence

The Board of Directors has determined that all members of the Compensation Committee are independent as that term is defined in Section 303A.02 of the New York Stock Exchange s listing standards.

Further discussion of the Compensation Committee can be found beginning on page 24 of this proxy statement under the heading Compensation Discussion and Analysis.

Risk Committee

Chair:	**Primary Responsibilities**
Elizabeth R. Gile	Is responsible for assisting the Board with strategies, policies, procedures, and practices relating to the assessment and management of KeyCorp s enterprise-wide risks, including credit risk, market risk, liquidity risk, compliance risk, operational risk, and other risks
Other Members:	
Ruth Ann M. Gillis	Plays a crucial role in overseeing KeyCorp s capital adequacy and compliance with regulatory capital requirements
Carlton L. Highsmith	
David K. Wilson	Reviews and approves KeyCorp s capital plan and recommends share repurchase authorizations to the Board consistent with approved capital plans
Number of Meetings in 2018: 8	May exercise such authority as the Board delegates in connection with the authorization, sale, and issuance by KeyCorp of debt and other equity securities, and

Together with the Audit Committee, oversees and reviews our allowance for loan and lease losses methodology.

The Board also has an Executive Committee, comprised of Ms. Mooney (Chair), Mr. Cooley, Mr. Cutler, Ms. Manos, and Ms. Snyder, which may exercise the authority of the Board, to the extent permitted by law, on any matter requiring Board or committee action between Board or committee meetings. The Executive Committee did not hold any meetings in 2018.

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Board Oversight of Risk

Our Board leadership and committee structure supports the Board s risk oversight function. Generally, each Board committee oversees the following risks:

- The Risk Committee has primary oversight responsibility for enterprise-wide risk at KeyCorp, including credit risk, market risk, liquidity risk, compliance risk, operational risk (including cybersecurity), as well as reputational and strategic risks, and oversight of the actions taken to mitigate these risks.

- The Audit Committee has primary oversight responsibility for internal audit, financial reporting, legal matters, and fraud risk.

- The Compensation Committee has primary oversight responsibility for risks related to KeyCorp s compensation policies and practices.

- The Nominating and Corporate Governance Committee has primary oversight responsibility for significant issues of corporate social responsibility.

The Audit and Risk Committees jointly oversee and review the allowance for loan and lease losses methodology and monitor operational risk.

The committees receive, review, and evaluate management reports on risk for their areas of risk oversight. At each Board meeting, the Chair of each Board committee reports to the full Board on risk oversight issues.

Our Board structure enables the Board to exercise vigorous oversight of key issues relating to management development, succession and compensation, compliance and integrity, corporate governance, cybersecurity, and company strategy and risk. With respect to risk, the Board oversees that Key s risks are managed in a manner that is effective and balanced and adds value for Key s shareholders. The Board understands Key s risk philosophy, approves Key s risk appetite, inquires about risk practices, reviews the portfolio of risks, compares the actual risks to the risk appetite, and is apprised of significant risks, both current and emerging, and determines whether management is responding appropriately. With respect to risk and other areas that it oversees, the Board challenges management and promotes accountability.

KeyCorp has formed a senior level management committee, the Enterprise Risk Management Committee (ERM Committee), consisting of Ms. Mooney and other senior officers at KeyCorp, including KeyCorp s Chief Risk Officer. The ERM Committee meets weekly and is central to ensuring that the corporate risk profile is managed in a manner consistent with KeyCorp s risk appetite. The ERM Committee also is responsible for implementation of KeyCorp s Enterprise Risk Management Policy that encompasses KeyCorp s risk philosophy, policy framework, and governance structure for the management of risks across the entire company. The Risk Committee of the Board oversees KeyCorp s risk management program, including the ERM Committee. The Board of Directors approves the Enterprise Risk Management Policy and sets the overall level of risk KeyCorp is willing to accept and manage in pursuit of its strategic objectives.

Oversight of Compensation-Related Risks

KeyCorp s compensation program is designed to offer competitive pay for performance, aligned with KeyCorp s short- and long-term business strategies, approved risk appetite and defined risk tolerances, and shareholders interests. Reviews of KeyCorp s compensation plans by the Compensation Committee and KeyCorp management did not identify any plan that was reasonably likely to have a material adverse impact on KeyCorp or that would incentivize excessive risk-taking. The Compensation Committee also reviewed KeyCorp s compensation plans to monitor compliance with KeyCorp s risk management tolerances and safety and soundness requirements.

KeyCorp has a well-developed governance structure for its incentive compensation programs, including roles for the Board of Directors, senior management, lines of business and control functions. The Board oversees KeyCorp s incentive compensation programs, primarily through the Compensation Committee, with additional input and guidance from its Nominating and Corporate Governance, Risk, and Audit Committees. In addition to directly approving compensation decisions for senior executives, the Compensation Committee also approves KeyCorp s overall Incentive Compensation Policy and Program so that KeyCorp s incentive compensation practices remain in alignment with KeyCorp s risk management practices. KeyCorp s Incentive Compensation Policy and Program are intended to enhance KeyCorp s risk management practices by rewarding appropriate risk-based performance.

We maintain a detailed and effective strategy for implementing and executing incentive compensation arrangements that provide balanced risk-taking incentives. KeyCorp s incentive compensation arrangements are designed, monitored, administered, and tested by a multidisciplinary team drawn from various areas of KeyCorp, including Risk Management. This

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The Board of Directors and Its Committees

team is charged with seeing that our incentive compensation arrangements align with risk management practices and support the safety and soundness of the organization. From initial plan design to individual awards, KeyCorp s program incorporates sound compensation principles and risk-balancing at every stage of the incentive compensation process, including:

- the identification of employees who have the ability to influence or control material risk;
- the use of risk-balancing mechanisms across all incentive plans that take into account the primary risks associated with employee roles;
- the deferral of incentive compensation to balance risk and align an employee s individual interests with KeyCorp s future success and safety and soundness;
- the development of clawback policies and procedures to recoup certain incentive compensation paid to employees in the event of certain risk-based events; and
- the annual assessment of risk-balancing features, the degree to which selective plan design features affect risk-taking, the alignment of incentive metrics with business objectives, the overall competitiveness of the pay opportunity, the participation of control functions, and the effectiveness of monitoring and administration of the plans.

Director Independence

The Board of Directors has determined that all members of the Board of Directors (i.e., Mss. Gile, Gillis, Manos, and Snyder, and Messrs. Broussard, Cooley, Cutler, Dallas, Gisel, Highsmith, Hipple, and Wilson), other than Ms. Mooney and Mr. Crosby, are independent directors and independent for purposes of the committees on which they serve. Additionally, the Board of Directors previously determined that Austin A. Adams and Demos Parneros, who served as directors until their retirements on May 10, 2018 and July 11, 2018, respectively, were independent. These determinations were made after reviewing the relationship of these individuals to KeyCorp in light of KeyCorp s Standards for Determining Independence of Directors and the independence requirements of the New York Stock Exchange. Due to Mr. Crosby s former position as Chief Executive Officer of First Niagara, the Board determined that Mr. Crosby is not an independent director.

To determine the independence of the members of the Board, the Board considered certain transactions, relationships, or arrangements between those directors, their immediate family members, or their affiliated entities, on the one hand,

and KeyCorp or one or more of its subsidiaries, on the other hand. Certain directors, their respective immediate family members, and/or affiliated entities have banking relationships with Key, such as consumer banking products or credit relationships. In addition, an affiliated entity of one of the directors received a charitable contribution from Key.

The Board determined that all of these transactions, relationships, or arrangements were made in the ordinary course of business, were made on terms comparable to those that could be obtained in arms length dealings with an unrelated third party, were not criticized or classified, non-accrual, past due, restructured or a potential problem, complied with applicable banking laws, were immaterial, and did not otherwise impair any director s independence. Additionally, during the last three fiscal years, there were no transactions between KeyCorp and any affiliated entities of the directors under which payments made or received exceeded 1% of the consolidated gross revenue of either KeyCorp, on the one hand, or the affiliated entity, on the other hand.

Related Party Transactions

Any transaction, relationship, or arrangement with KeyCorp or its subsidiaries in which a KeyCorp director, executive officer, or other related person has a direct or indirect material interest is subject to KeyCorp s Policy for Review of Transactions between KeyCorp and its Directors, Executive Officers, and Other Related Persons. The Nominating and Corporate Governance Committee is responsible for applying the policy and uses the following factors identified in the policy in making its determinations:

- whether the transaction conforms to KeyCorp s Code of Ethics and Corporate Governance Guidelines and is in KeyCorp s best interests;

- whether the transaction is entered into in the ordinary course of KeyCorp s business;

- whether the terms of the transaction are comparable to terms that could be obtained in arms length dealings with an unrelated third party;

- whether the transaction must be disclosed under Item 404 of Regulation S-K under the Exchange Act; and

- whether the transaction could call into question the independence of any of KeyCorp s non-employee directors.

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The policy provides exceptions for certain transactions, including those available to all KeyCorp employees generally, those involving compensation or indemnification of executive officers or directors authorized by the Board of Directors or one of its committees, those involving the reimbursement of routine business expenses, and those occurring in the ordinary course of business.

Banking and Credit Transactions with KeyCorp Executive Officers and Directors

From time to time during 2018, many of our directors and executive officers and some of their immediate family members and affiliated entities had deposit or credit relationships with KeyBank National Association (KeyBank) or other KeyCorp subsidiaries in the ordinary course of business. Additional transactions and banking relationships may continue in the future.

First Niagara Bank, National Association, which has since merged into KeyBank, previously made a residential mortgage loan to an immediate family member of Mr. Crosby under First Niagara s loan program for employees, which included an interest rate discount. At December 31, 2018, the amount outstanding on the loan to Mr. Crosby s immediate family member was $178,171.27, and the largest amount outstanding on the loan during 2018 was $183,841.62. The amount of principal and interest paid during 2018 was $10,897.92, and the amount of interest payable during the remainder of the loan is $71,107.57.

All other credit relationships with our directors, executive officers, and other related persons were made in the ordinary course of business on substantially the same terms, including interest rate and collateral terms, as those prevailing at the time for comparable transactions with unrelated third parties and did not present heightened risks of collectability or other unfavorable features to KeyCorp or its subsidiaries.

Additionally, loans and extensions of credit by KeyBank to our directors, executive officers, and their related interests were made in compliance with Regulation O under federal banking law and KeyBank s related policies and procedures. In addition to satisfying the standard set forth in the preceding paragraph, our Regulation O policies and procedures require that:

- the amount of credit extended does not exceed individual and aggregate lending limits, depending upon the identity of the borrower and the nature of the loan; and

- any extension of credit in excess of $500,000 be approved by the Board of Directors of KeyBank.

Shareholder Engagement

In order for management and the Board to better understand and consider shareholders perspectives, we regularly communicate with our shareholders, including to solicit and discuss their views on governance, executive compensation and other matters. We believe our regular engagement has been productive and provides an open exchange of ideas and perspectives for both the Company and our shareholders.

In October 2018, KeyCorp hosted an investor day in New York City for institutional investors and equity analysts. Key s leadership team highlighted our strategy, the progress we ve made in transforming our business, and how the company is positioned for growth. Additionally, throughout 2018, members of management and our independent Lead Director participated in discussions with a number of institutional shareholders, including many of our largest shareholders. Overall, participating investors expressed support for the Company s governance and compensation practices. Feedback received during these meetings was presented to and discussed by the Nominating and Corporate Governance Committee, Compensation Committee and, as appropriate, other Board committees and the entire Board.

After considering feedback received from shareholders in recent years, we:

- intend to amend the Regulations to adopt a meaningful proxy access right for shareholders reflecting terms described in Proposal Six of this proxy statement (subject to the approval by our shareholders of Proposal Six);

- formalized additional responsibilities for the independent Lead Director and added disclosure about the Lead Director s activities (see page 11 of this proxy statement);

- formalized an annual evaluation of the Lead Director and incorporated the evaluation process in our Corporate Governance Guidelines;

- increased our website disclosure with respect to our political spending and activity;

- enhanced our public disclosures about employee diversity and pay equity;

- provided additional disclosure about the Audit Committee s oversight and engagement of the independent auditor in the Audit Committee Report at page 55 in this proxy statement; and

- created a robust summary (at pages i to iv in this proxy statement) and enhanced our Compensation Discussion and Analysis that begins at page 24 in this proxy statement.

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The Board of Directors and Its Committees

In addition, our Chief Executive Officer, Chief Financial Officer, Director of Investor Relations, and other members of our senior management team receive regular feedback from the investment community through investor visits, meetings, and conferences regarding our strategy, financial results, and other topics of interest, and regularly brief our Board on this feedback.

Director Education

Throughout the year, our directors participate in continuing education activities and receive educational materials on a wide variety of topics (including, corporate governance, the financial services industry, cybersecurity, executive compensation, risk management, finance, and accounting). Annually, the Board holds director education sessions focusing on topics suggested by the directors at the November meeting of the Board and its committees. From time to time, our directors may also attend seminars and other educational programs at KeyCorp s expense. These educational opportunities provide our directors with timely updates on best practices among our peers and in the general marketplace and further supplement our directors significant business and leadership experiences.

Communication with the Board

Interested parties may submit comments about KeyCorp to the directors in writing at KeyCorp s headquarters at 127 Public Square, Cleveland, Ohio 44114. Correspondence should be addressed to Lead Director, KeyCorp Board of Directors, care of the Secretary of KeyCorp and marked Confidential.

Interested parties wishing to communicate with the Audit Committee regarding accounting, internal accounting controls, or auditing matters may directly contact the Audit Committee by mailing a statement of their comments and views to KeyCorp at its corporate headquarters at 127 Public Square, Cleveland, Ohio 44114. Such correspondence should be addressed to Chair, Audit Committee, KeyCorp Board of Directors, care of the Secretary of KeyCorp and should be marked Confidential.

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Corporate Governance Documents

The KeyCorp Board of Directors Committee Charters, KeyCorp s Corporate Governance Guidelines, KeyCorp s Code of Ethics, KeyCorp s Standards for Determining Independence of Directors, KeyCorp s Policy for Review of Transactions between KeyCorp and its Directors, Executive Officers, and Other Related Persons, KeyCorp s Corporate Responsibility Report, and KeyCorp s Statement of Political Activity for 2018 are all posted on KeyCorp s website: *www.key.com/ir.* Copies of these documents will be delivered, free of charge, to any shareholder who contacts KeyCorp s Investor Relations Department at (216) 689-4221.

Corporate Governance Guidelines

The Board has adopted written Corporate Governance Guidelines (the Guidelines) that detail the Board s corporate governance duties and responsibilities, many of which are described herein. The Guidelines take into consideration, and are reviewed annually and updated periodically to reflect, best practices in corporate governance and applicable laws and regulations. The Guidelines address a number of matters applicable to directors (such as director qualification standards and independence requirements, share ownership guidelines, and succession planning and management) and management (such as stock ownership guidelines for management and procedures for the annual evaluation of our Chief Executive Officer).

Code of Ethics

We are committed to the highest standards of ethical integrity. Accordingly, the Board of Directors has adopted a Code of Ethics for all of KeyCorp s (and its subsidiaries) employees, officers, and directors, which was last amended in July 2018. We will promptly disclose any waiver or amendment to our Code of Ethics for our executive officers or directors on our website. Our Code of Ethics ensures that each employee, officer, and director understands the basic principles that govern our corporate conduct and our core values of Teamwork, Respect, Accountability, Integrity, and Leadership.

Statement of Political Activity

An important part of our commitment to our community includes active participation in the political and public policy process that impacts the lives of our customers, shareholders, and business. As a large financial institution, our business is highly regulated at the federal, state, and local levels. We believe it is critically important to take a constructive role in the political process that will shape the future of business, our industry, and our community.

The Nominating and Corporate Governance Committee of the Board meets annually with a member of KeyCorp s Government Relations team to review KeyCorp s policies and practices regarding political contributions. Policies and practices reviewed by the Nominating and Corporate Governance Committee include KeyCorp s policies regarding doing business with public entities, the Government Relations pre-approval process for ballot issue support and the KeyCorp Advocates Fund (political action committee) annual report.

Corporate Responsibility Report

Our purpose is to help our clients and communities thrive, which we drive through our commitment to responsible banking, responsible citizenship, and responsible operations. We are more focused than ever on participating in the economic expansion, revitalization, and resurgence of the communities we so proudly serve, as well as helping to strengthen the financial wellness of every client. Beyond traditional banking, we do this best through philanthropy, community development, sustainability, and diversity and inclusion.

The Nominating and Corporate Governance Committee of the Board oversees KeyCorp s policies and practices on significant issues of corporate social responsibility. Detailed information regarding KeyCorp s (and its subsidiaries) and the KeyBank Foundation s corporate responsibility priorities and progress can be found in our annual Corporate Responsibility Report. We use the Global Reporting Initiative (GRI) framework to provide transparent disclosure of Key s most significant areas of impact in a manner comparable with peers and industry benchmarks.

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Ownership of KeyCorp Equity Securities

Ownership of KeyCorp Equity Securities

The following table reports the number of KeyCorp equity securities that were beneficially owned by the directors of KeyCorp, the Named Executive Officers, and all directors, nominees for director and all executive officers of KeyCorp as a group, and each person reported to us to beneficially own more than 5% of our common shares. Beneficially-owned KeyCorp equity securities include directly or indirectly owned KeyCorp common shares and any KeyCorp common shares that could be acquired within 60 days of the record date through the exercise of an option or through the vesting or distribution of deferred shares. The column Other Deferred Shares Owned reports the number of deferred shares owned that will not vest or be distributed within 60 days of the record date.

This information is provided as of the record date, March 29, 2019.

Name	Common Shares	Options (1)	Deferred Shares (2)(3)(4)	Total Beneficial Ownership (5)	Total Beneficial Ownership as a % of Outstanding Common Shares (6)	Other Deferred Shares Owned (2)(3)(4)	Combined Beneficial Ownership and Other Deferred Shares Owned (5)
Bruce D. Broussard	15,724		8,313	**24,037**		6,070	**30,107**
Charles P. Cooley	25,005		3,036	**28,040**		84,811	**112,851**
Gary M. Crosby	536,989		6,590	**543,579**			**543,579**
Alexander M. Cutler	175,769			**175,769**		57,453	**233,222**
H. James Dallas	98,791		11,349	**110,140**		0	**110,140**
Elizabeth R. Gile	28,213		8,313	**36,526**		36,836	**73,362**
Ruth Ann M. Gillis	95,412			**95,412**		50,245	**145,657**
William G. Gisel, Jr.	17,900			**17,900**		64,020	**81,920**
Christopher M. Gorman	411,221	695,831		**1,107,052**		280,314	**1,387,366**
Carlton L. Highsmith	61,125	9,515	6,590	**77,230**			**77,230**
Richard J. Hipple	23,845		7,794	**31,639**		29,810	**61,449**
Donald R. Kimble	318,725	129,279		**448,004**		166,178	**614,183**

Kristen L. Manos	78,258			**78,258**		105,161	**183,418**
Mark W. Midkiff	12,458			**12,458**		60,474	**72,932**
Beth E. Mooney	1,230,630	1,196,748		**2,427,378**		495,921	**2,923,298**
Andrew J. Randy Paine III	229,036	183,573		**412,609**		208,640	**621,249**
Barbara R. Snyder	14,666			**14,666**		99,791	**114,457**
David K. Wilson	18,224		4,759	**22,983**		13,178	**36,161**
All directors and executive officers as a group (29 persons)	4,750,161	2,944,926	56,744	**7,751,830**		2,467,574	**10,219,404**
The Vanguard Group (7)	115,800,986			**115,800,986**	[ ]%		
BlackRock, Inc. (8)	69,532,636			**69,532,636**	[ ]%		
J.P. Morgan Chase & Co. (9)	52,334,060			**52,334,060**	[ ]%		

(1) This column includes options (including in-the-money and out-of-the-money options) to acquire KeyCorp common shares exercisable on or within 60 days of March 29, 2019.

(2) Deferred shares issued under the prior KeyCorp Directors Deferred Share Plan or the current Directors Deferred Share Sub-Plan to the KeyCorp 2013 Equity Compensation Plan (the Directors Deferred Share Sub-Plan) are payable three years from their award date, one-half in cash and one-half in common shares, or immediately if a director separates from the Board for any reason prior to the third anniversary of the award. A director may elect to defer the payment of all or some of his or her deferred shares beyond the third anniversary of the award date (Further Deferred Shares). In that case, the Further Deferred Shares will be distributed entirely in

common shares on (and only on) the deferral date selected by the director. Deferred shares payable in common shares (other than Further Deferred Shares) are included in the column Deferred Shares because they may be distributed to the director as common shares immediately upon separation from the Board. Further Deferred Shares, and directors fees that have been deferred under the Directors Deferred Share Sub-Plan or, previously, the KeyCorp Second Directors Deferred Compensation Plan, are included in the column Other Deferred Shares Owned because they are only payable on the deferral date selected by the director, which is not on or within 60 days of March 29, 2019 for any director. Deferred shares payable in cash are not reflected in this table. For more information, please see Directors Compensation on page 51 of this proxy statement.

(3) *The column Deferred Shares includes deferred shares, performance units, and restricted stock units held by executive officers that will be payable in KeyCorp common shares on or within 60 days of March 29, 2019. Deferred shares, performance units, and restricted stock units payable in common shares to executive officers, but not on or within 60 days of March 29, 2019, are reported in the column Other Deferred Shares Owned. Performance units are subject to vesting based on the achievement of certain performance goals, as discussed in the Compensation Discussion and Analysis beginning on page 24 of this proxy statement. The number of performance units set forth in these columns reflects a target amount of performance units determined for each executive officer on the grant date. The number of performance units that ultimately vest as common shares for each executive officer may be higher or lower depending upon actual performance relative to the performance goals at the end of the measurement period.*

(4) *Deferred shares, performance units, and restricted stock units payable in common shares do not have common share voting rights or investment power until the shares or units have been distributed as common shares in accordance with the plan or agreement under which they were granted or awarded.*

(5) *Totals may not foot due to rounding.*

(6) *No director or executive officer beneficially owns (and collectively all 29 directors and executive officers do not beneficially own) common shares, and options, deferred shares, performance units, and restricted stock units payable in common shares on or within 60 days of March 29, 2019, totaling more than 1% of the outstanding common shares of KeyCorp. The percentages set forth in this column for the holders of more than 5% of our common shares appear as reported by each such holder to the Securities and Exchange Commission on Schedules 13G, as discussed below.*

(7) *Based solely upon information contained in the Schedule 13G/A filed by The Vanguard Group, Inc. (Vanguard) with the Securities and Exchange Commission on February 11, 2019. Vanguard reported that it owned beneficially 115,800,986 common shares, held sole voting power over 1,213,586 common shares, held sole power to dispose or to direct the disposition of 114,385,762 common shares, held shared voting power over 214,068*

common shares, and held shared power to dispose or to direct the disposition of 1,415,224 common shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of Vanguard, is the beneficial owner of 892,452 common shares as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of Vanguard, is the beneficial owner of 830,497 common shares as a result of its serving as investment manager of Australian investment offerings. The reported address of Vanguard is 100 Vanguard Blvd., Malvern, PA 19355.

(8) Based solely upon information contained in the Schedule 13G/A filed by BlackRock, Inc. (BlackRock), for itself and on behalf of various subsidiaries identified therein, with the Securities and Exchange Commission on February 6, 2019. BlackRock reported that it owned beneficially 69,532,636 common shares, held sole power to dispose or to direct the disposition of 69,532,636 common shares, and held sole power to vote or direct the voting power over 60,842,357 common shares. Each of the following entities has been identified by BlackRock as a direct or indirect subsidiary that beneficially owns KeyCorp common shares: BlackRock Life Limited; BlackRock International Limited; BlackRock Advisors, LLC; BlackRock (Netherlands) B.V.; BlackRock Institutional Trust Company, National Association; BlackRock Asset Management Ireland Limited; BlackRock Financial Management, Inc.; BlackRock Japan Co., Ltd.; BlackRock Asset Management Schweiz AG; BlackRock Investment Management, LLC; BlackRock Investment Management (UK) Limited; BlackRock Asset Management Canada Limited; BlackRock (Luxembourg) S.A.; BlackRock Investment Management (Australia) Limited; BlackRock Advisors (UK) Limited; BlackRock Fund Advisors; BlackRock Asset Management North Asia Limited; BlackRock (Singapore) Limited; and BlackRock Fund Managers Ltd. The reported address of BlackRock is 55 East 52nd Street, New York, NY 10055.

(9) Based solely upon information contained in the Schedule 13G filed by J.P. Morgan Chase & Co. (JP Morgan), for itself and on behalf of various subsidiaries identified therein, with the Securities and Exchange Commission on February 13, 2019. JP Morgan reported that it owned beneficially 52,334,060 common shares, held sole power to dispose or to direct the disposition of 51,580,509 common shares, held sole power to vote or direct the voting power over 42,803,288 common shares, held shared voting power over 472,453 common shares, and held shared power to dispose or to direct the disposition of 743,670 common shares. Each of the following entities has been identified by JP Morgan as a direct or indirect subsidiary that beneficially owns KeyCorp common shares: J.P. Morgan Investment Management Inc.; JPMorgan Chase Bank, National Association; JPMorgan Asset Management (UK) Limited; J.P. Morgan International Bank Limited; J.P. Morgan (Suisse) SA; J.P. Morgan Trust Company of Delaware; J.P. Morgan Securities LLC; and J.P. Morgan Private Investments Inc. The reported address of JP Morgan is 270 Park Avenue, New York, NY 10017.

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Ownership of KeyCorp Equity Securities

Executive Officer and Director Equity Ownership Guidelines

KeyCorp s Corporate Governance Guidelines state that, by the fifth anniversary of his or her election to the Board or as an officer of KeyCorp: (i) each non-employee director should own KeyCorp equity securities with a value at least equal to five times KeyCorp s non-employee director annual retainer, including at least 1,000 directly-owned KeyCorp common shares; (ii) the Chief Executive Officer should own KeyCorp equity securities with a value at least equal to six times her base salary, including at least 10,000 directly-owned KeyCorp common shares; (iii) the senior executives who are members of KeyCorp s Management Committee should own KeyCorp equity securities with a value at least equal to three times his or her base salary, including at least 5,000 directly-owned KeyCorp common shares; and (iv) other senior executives should own KeyCorp equity securities with a value at least equal to two times his or her base salary, including at least 2,500 directly-owned KeyCorp common shares. For more information, please see our Compensation Discussion and Analysis beginning on page 24 of this proxy statement.

Pledging and Speculative Trading of KeyCorp Securities

Our insider trading policy restricts our employees, officers and directors from engaging in speculative trading transactions (including hedging transactions, such as the use of prepaid variable forwards, equity swaps, collars, or exchange funds) involving KeyCorp securities and from pledging KeyCorp securities. During 2018, no director or executive officer pledged as collateral or engaged in speculative trading with respect to any KeyCorp securities.

Section 16(a) Beneficial Ownership Reporting Compliance

KeyCorp s directors, executive officers, and beneficial owners of more than 10% of any class of equity securities of KeyCorp are required to report their initial ownership and certain changes in ownership of KeyCorp securities to the Securities and Exchange Commission. The Securities and Exchange Commission has established certain due dates and requirements for these reports. Based upon our review of records received by KeyCorp and written representations from the directors and executive officers, KeyCorp knows of no director, executive officer, beneficial owner of more than 10% of any class of equity securities of KeyCorp who failed to timely file any report required to be filed during 2018.

Equity Compensation Plan Information

KeyCorp is authorized to issue its common shares under the KeyCorp 2013 Equity Compensation Plan (the 2013 Plan) and the KeyCorp Amended and Restated Discounted Stock Purchase Plan (the DSP Plan). KeyCorp is no longer authorized to issue its common shares under, but still has awards outstanding under: (i) the KeyCorp 2010 Equity Compensation Plan (the 2010 Plan); (ii) the KeyCorp Deferred Equity Allocation Plan; (iii) the KeyCorp Directors Deferred Share Plan; and (iv) the KeyCorp 2004 Equity Compensation Plan (the 2004 Plan).

Shareholders approved the 2013 Plan at the 2013 Annual Meeting of Shareholders. At December 31, 2018, 24,147,422 common shares remained available for future issuance under the 2013 Plan. Shareholders approved the DSP Plan in 2003. At December 31, 2018, 1,467,162 common shares remained available for future issuance under the DSP Plan.

The following table provides information about KeyCorp s equity compensation plans as of December 31, 2018:

	(a)	**(b)**	**(c)**
	Securities to be issued upon exercise of outstanding options, warrants and rights	**Weighted-average exercise price of outstanding options, warrants and rights**	**Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Plan Category	**(#)**	**($)**	**(#)(2)**
Equity compensation plans approved by security holders (1)	8,000,502	11.89	25,614,584
Equity compensation plans not approved by security holders (3)			
Total	**8,000,502**	**11.89**	**25,614,584**

(1) The table does not include 17,107,661 unvested shares of time-lapsed and performance-based restricted stock awarded under the 2013 Plan, the 2010 Plan, and the 2004 Plan, and 286,561 unvested shares of time-lapsed restricted stock grants assumed in connection with the First Niagara merger in 2016. These unvested restricted shares were issued when awarded and consequently are included in KeyCorp s common shares outstanding.

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(2) The Compensation Committee of the Board has determined that KeyCorp may not grant options to purchase KeyCorp common shares, shares of restricted stock, or other share grants under its long-term compensation plans in an amount that exceeds six percent of KeyCorp s outstanding common shares in any rolling three-year period.

(3) The table does not include outstanding options to purchase 95,833 common shares assumed in connection with the First Niagara merger in 2016. At December 31, 2018, these assumed options had a weighted-average exercise price of $13.60 per share. No additional options may be granted under the plan that governs these options.

More information about these awards can be found in Note 16 (Stock-Based Compensation) to the Consolidated Financial Statements beginning on page 149 of our Annual Report on Form 10-K for the year ended December 31, 2018 (the 2018 Annual Report), which was filed with the Securities and Exchange Commission on February 25, 2019.

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Compensation Discussion and Analysis

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the pay of our Named Executive Officers listed below, along with their titles as of December 31, 2018:

Beth E. Mooney
Chairman and Chief Executive Officer

Donald R. Kimble
Chief Financial Officer and Vice Chairman

Christopher M. Gorman
President of Banking and Vice Chairman

Andrew J. Randy Paine III
Co-Head, Key Corporate Bank

Mark W. Midkiff
Chief Risk Officer

Additional information on the compensation of our Named Executive Officers can be found in the 2018 Summary Compensation Table on page 39 of this proxy statement.

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The contents of the Compensation Discussion and Analysis are organized as follows:

Overview of 2018 Performance

2018 was a successful year as we continue to grow, invest for our future, and deliver on our financial commitments. We continue to deliver results and drive shareholder returns through sound, profitable growth across our franchise, while effectively managing risk and capital. We believe that Key s distinctive business model, targeted scale and focused execution position us to outperform. Highlights of 2018 performance include:

- The sixth consecutive year of positive operating leverage, driven by record full year revenue and all-time high revenue in several fee-based businesses, including investment banking and debt placement.

- Achievement of a meaningful increase in earnings per share (EPS) compared to 2017.

- Reduction in our cash efficiency ratio to approach our long-term targeted range.

- Meaningful improvement from the prior year in our return on tangible common equity ratio.

The Compensation Committee considered Key s performance with respect to these financial metrics and strategic objectives when evaluating the performance of our Named Executive Officers and establishing 2018 pay.

Objectives of Our Compensation Program

Our success depends on the ability to attract, retain, motivate, and develop our people. Competition for talent in our business is ongoing, and we make investments to hire and retain the people we need to serve our customers. Our compensation program is designed to reward employees based on performance, be informed by the market, and align with the interests of our shareholders and the expectations of regulators.

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Compensation Philosophy

Our compensation philosophy is organized around the following three principles:

Our Principles...	How they are applied...
Pay decisions are based on Key s performance, business unit performance, and individual performance as assessed by our Chairman and Chief Executive Officer and the relevant committee of our Board (or, in the case of our Chairman and Chief Executive Officer, by the Compensation Committee with input from the full Board);	**We emphasize variable and performance-based compensation:** Only 14% of the average pay opportunity for our Named Executive Officers is delivered as base salary.
We deliver pay in a way that reinforces **focus on balancing short- and long-term financial performance objectives**; and	**We require executive officers to satisfy robust levels of deferral:** While we manage to total pay opportunity (i.e., the sum of base salary and incentives) when making pay decisions, we require that at least 60% of the annual total incentive (the sum of the annual incentive paid and the value of long-term incentives granted in a particular year) of the Chairman and Chief Executive Officer (and at least 50% for the other Named Executive Officers) be deferred over a multi-year period and subject to risk-adjustment, as described in more detail below.
We support sustainable performance with policies that **focus on prudent risk-taking and the balance between risk and reward**.	**We balance compensation risk and reward through a robust governance process overseen by the Compensation Committee:** We design our compensation programs to appropriately balance risk and reward and regularly monitor these programs to determine whether they create incentives that encourage risk-taking outside of our risk tolerances. The Compensation Committee: May decrease funding for our performance-based incentive plans by as much as 100% based on our

Enterprise Risk Management dashboard or the occurrence of any risk event that warrants such an adjustment.

Considers each Named Executive Officer s scorecard performance including individual risk performance before approving any performance-based incentive award.

May forfeit, offset, reduce, or claw back any Named Executive Officer s deferred incentives based on the actual risk-related outcomes of each executive s performance on which the award is based.

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Compensation Discussion and Analysis

Compensation Governance Best Practices

We support our compensation program with a number of best practices in governance and executive compensation. In addition, the Compensation Committee regularly evaluates our compensation practices in light of feedback that may be provided by our shareholders or shareholder advisory firms.

What We Do:	What We Don t Do:
Impose Robust Stock Ownership Guidelines ranging from six times base salary for our Chairman and Chief Executive Officer, with a minimum direct ownership requirement of 10,000 common shares, to three times base salary for our other executive officers, with a minimum direct ownership requirement of 5,000 common shares. As of February 28, 2019, four out of five Named Executive Officers, including the Chairman and Chief Executive Officer, satisfied his or her share ownership requirements. The one Named Executive Officer who did not satisfy the ownership guidelines joined Key in 2018. Executives are encouraged to meet ownership guidelines within three years and are required to comply within five years.	× **No Employment Agreements** for any executive officer, including any Named Executive Officer. × **No Tax Gross-Ups** on change of control payments or for perquisites, other than on relocation benefits provided to certain senior-level employees upon hire. × **No Active SERPs,** as our executive pension plans were frozen in 2009. No Named Executive Officer participates in an active supplemental defined benefit plan, although vesting service continues for those Named Executive Officers who participated in such a plan prior to 2009.
Subject Shares to Post-Vesting Holding Requirements, so that each Named Executive Officer must hold the net shares acquired upon vesting of equity awards until he or she satisfies our share ownership guidelines. Further, our insider trading policy requires that our Chairman and Chief Executive Officer notify the Chair of the Compensation Committee before she engages in any discretionary transactions involving our shares and the Compensation Committee previously adopted a policy recommending against the use of so-called 10b5-1 trading plans for our executive officers.	× **No Hedging or Pledging of KeyCorp Securities** is permitted under our insider trading policy, which prohibits our employees, officers, and directors from engaging in hedging transactions involving our common shares and from pledging our common shares. × **No Timing of Equity Grants** is allowed under our equity approval policy. We do not grant equity awards in anticipation of the release of material, non-public

Maintain Double Trigger Change of Control Agreements, meaning that severance benefits are due, and equity awards that are assumed in a change of control transaction vest, only if a senior executive experiences a qualifying termination of employment in connection with a change of control. This requirement is intended to prevent senior executives from receiving change of control benefits without a corresponding loss of employment.

Use Tally Sheets annually for our Named Executive Officers, which include a review of the estimated value of severance payments, the accumulated value of vested and unvested equity awards, and retirement benefits. The Compensation Committee also reviews the levels and types of compensation provided to executive officers in similar positions at companies in our Peer Group. This practice allows the Compensation Committee to evaluate the total compensation package provided to these employees and consider the impact of isolated adjustments or incremental changes to specific elements of compensation.

Review Share Utilization regularly, including overhang levels and run-rates, and maintain share utilization levels well within industry norms.

Use an Independent Consultant Retained by the Compensation Committee to assist in developing and reviewing our executive compensation strategy and program. The Compensation Committee, with the assistance of the independent consultant, regularly evaluates our executive compensation program in light of the compensation practices of our Peer Group to confirm that our compensation programs are consistent with market practice.

information. Similarly, we do not time the release of material, non-public information based on equity grant dates.

× **No Repricing** or back-dating of stock options.

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What We Do:	What We Don t Do:
Subject All Incentives to a Risk-Adjustment Process that begins before grant and extends beyond payment. We reserve the right to adjust funding and/or awards to reflect risks that may be realized, and we subject all performance-based incentives to forfeiture, reduction, offset, and clawback.	
Subject All Incentives to Clawback, which allows us to recover cash and equity incentive compensation paid to any Named Executive Officer, including deferred annual and long-term incentives, if based on financial results that are subsequently restated, and to cancel outstanding equity awards and recover realized gains if the executive engages in certain harmful activity.	

Elements of Our Pay Program

We manage to total pay opportunity, rather than make separate decisions on each element of pay. We define total pay opportunity for our Named Executive Officers as the sum of base salary and incentive targets, which are established as described below. Actual total pay for each Named Executive Officer is the sum of actual base salary for the year (i.e., salary paid for 2018), the annual incentive earned for the performance year (i.e., bonus paid in 2019 for 2018 performance year), and the long-term incentive granted for the performance year (i.e., long-term incentive granted in 2019). We consider the long-term incentive as part of the compensation for the prior year even though it is granted early in the following year (which differs from how long-term incentives are required to be reported in the Summary Compensation Table).

Consistent with our pay philosophy, we generally provide our executive officers with a target total pay opportunity comprised of the following elements of pay: base salary, annual incentive, and deferred incentive compensation (Performance Shares, Restricted Stock Units (RSUs) and Stock Options). The average weighting of those elements described above for 2018 to our Named Executive Officers (including our Chief Executive Officer) is demonstrated in the chart below:

Average NEO Pay Mix

The chart above excludes compensation arrangements for Mr. Midkiff that were negotiated at the time of hire.

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Compensation Discussion and Analysis

The target total pay opportunity for each Named Executive Officer is established after considering a number of factors including the level of pay for similar roles in our industry and among our peers, the executive s tenure and experience, the complexity of the executive s role, insights from consultants about market practices and trends, as well as regulatory expectations regarding our pay practices. The Compensation Committee reviews and approves the target total pay of each executive officer each year. For additional information on how we establish target pay for our Named Executive Officers, see the discussion under How We Make Pay Decisions beginning on page 35 of this proxy statement.

Base Salary

Base salaries represent the sole fixed portion of our Named Executive Officers pay. Base salaries are reviewed and approved by the Compensation Committee on a competitive basis each year based on salaries paid to comparable executives at peer companies, including those in our Peer Group, and considering internal equity. As a general rule, base salary adjustments occur no more frequently than bi-annually. The 2018 base salaries of our Named Executive Officers are reported in the Salary column of the 2018 Summary Compensation Table on page 39 of this proxy statement.

Annual Incentives

All executive officers, along with all employees who are not paid from a business unit incentive plan, are eligible to receive discretionary cash incentives under our Annual Incentive Plan. The funding of the overall bonus pool under our Annual Incentive Plan is based on the achievement of various financial and strategic goals compared to pre-established targets, as described below. Annual Incentive Plan funding is capped at 150%, with 0% funding for the Named Executive Officers if a threshold level of performance is not achieved.

The actual annual incentive that may be awarded to any individual Named Executive Officer is determined by the Compensation Committee after considering the approved funding level of the bonus pool, the executive s experience and performance, market information, our deferral expectations, the range of pay decisions for the other executive officers and similarly situated executives, as well as any decision we made to direct total pay towards other elements of pay (e.g., base salary and/or long-term incentives). As a result, while the funding of the Annual Incentive Plan serves to guide the actual incentive an executive officer may receive, actual awards may and do vary from this funding level.

2018 Performance Measures

In 2018, 60% of our Annual Incentive Plan pool funding was based on our performance on the following three equally-weighted metrics as compared to pre-established targets:

EPS

Cash Efficiency Ratio

Return on Tangible Common Equity (ROTCE)

The Compensation Committee selected the Cash Efficiency Ratio to reflect our ongoing focus on growing revenue and managing expenses and included EPS to reflect core profitability. In 2018, we replaced Pre-Provision Net Revenue (PPNR) with ROTCE due to its high correlation to shareholder value creation and to place greater emphasis on credit quality.

An additional 20% of our Annual Incentive Plan pool funding was based on our performance, relative to the performance of our Peer Group, on the following metrics: revenue growth, PPNR growth, and the ratio of Net Charge-Offs to Average Loans. We selected these measures to evaluate our performance, relative to our peers, with respect to growth and management of risk.

The remaining 20% of our Annual Incentive Plan pool funding was based on the measurement of our ability to deliver enterprise initiatives related to: (i) improving client and employee experience and (ii) modernizing processes and supporting technology. The initiatives chosen reflect our ability to run the business more efficiently and productively and create future revenue or expense benefits. The initiatives were supported by specific objectives and clear measures of success. These objectives were collectively referred to as operational excellence.

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2018 Performance & Funding

For the 2018 performance period, the Compensation Committee approved a 105% funding rate for our 2018 Annual Incentive Plan pool based on our performance against the financial and strategic goals in our Annual Incentive Plan set forth in the table below.

KeyCorp 2018 Annual Incentive Plan

Performance Goals*	**Performance Required for Payout Min.**	**Middle**	**Max.**				**Final**
Funding %	**50%**	**100%**	**150%**	**Actual Result**	**Funding Rate**	**Weight**	**Funding**
Earnings Per Share (EPS)	$1.45	$1.61	$1.71	$1.73	150%	20%	30%
Return on Tangible Common Equity (ROTCE)	13.3%	14.7%	15.7%	16.5%	150%	20%	30%
Cash Efficiency Ratio	61.3%	59.0%	57.7%	59.4%	92%	20%	18%
Relative Progress to Peers	Bottom Quartile	Middle Quartiles	Top Quartile	Middle Quartiles	100%	20%	20%
Operational Excellence	Objective Assessment			Meets	100%	20%	20%
Initial Calculated Funding							118%

Adjustment for One-Time Items (as explained below)	(10%)
Funding Reflecting Adjustment for One-Time Items	108%
Compensation Committee Approved Funding	105%

* *EPS, Cash Efficiency Ratio and ROTCE exclude notable items and any other major restructuring charges agreed to by the Compensation Committee. Please see slides 21 and 22 of our Fourth Quarter 2018 Earnings Review filed as Exhibit 99.2 to Form 8-K on January 17, 2019 for the identification of notable items.*

As illustrated in the table above, performance against the financial and strategic goals in our 2018 Annual Incentive Plan resulted in an initial funding rate for this plan of 118%. This performance, however, included several one-time items, particularly the net gain on the sale of Key Insurance & Benefits Services in 2018 and unplanned tax benefits related to our energy financing activities, that were not contemplated at the time performance goals were established. As a result, management recommended excluding these items from our final results which reduced performance by 10% to 108%.

Additionally, while our 2018 performance against our internal financial objectives was strong, our performance relative to our Peer Group on the metrics selected related to growth and management of risk was in the middle quartiles, as set forth in the table below.

Relative Performance to Peers

Measure	**Actual Result**
Revenue Growth	Middle Quartiles
PPNR Growth	Middle Quartiles
Net Charge-Offs / Average Loans	Middle Quartiles

Based on the aggregate results, the Compensation Committee approved a funding rate for our 2018 Annual Incentive Plan pool of up to 105%. However, management recommended that Annual Incentive Plan funding for our Named Executive Officers be limited to 100% and, based on this recommendation, the Compensation Committee approved payouts to the Named Executive Officers at 100% of target.

2019 Long-Term Incentives

All Named Executive Officers are eligible to receive long-term incentive awards that are granted based on prior year performance but anticipate future contributions through the use of a vesting schedule generally requiring the executive officer to remain employed to realize the full value of the award.

Vehicles and Vesting

We grant our Named Executive Officers long-term incentive awards in a mix of vehicles that are intended to deliver value based on the achievement of our long-term financial goals (performance awards, which may be settled in cash or shares), improvements in our share price (stock options), and preservation of long-term stock value (restricted stock units).

We consider both performance awards and stock options to be performance-based vehicles, as the value ultimately realized upon vesting or exercise is directly tied to either or both of our long-term financial and stock price performance, or in some cases, the achievement of other performance thresholds.

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Compensation Discussion and Analysis

Restricted stock units are an important vehicle as they encourage executives to preserve long-term stock value, help balance risk and reward, and maintain a link to shareholder value creation.

We consider restricted stock units to be a component of variable pay, as the value of those awards is risk based on the value of our common shares.

We grant performance awards, stock options, and restricted stock units subject to a multi-year vesting schedule in accordance with governance best practices, to enhance retention incentives for our Named Executive Officers, to focus on long-term value creation, and to balance risk and reward. Performance awards are granted subject to a three-year cliff vesting schedule while options and restricted stock units vest ratably over four years.

In 2019, long-term incentives for Ms. Mooney and Messrs. Paine and Gorman were delivered 50% in cash-settled performance awards, 40% in restricted stock units and 10% in stock options. Cash-settled performance shares are subject to a three-year cliff vesting and restricted stock units and stock options vest ratably over four years.

Mr. Kimble s performance awards represented slightly more than 60% of his total long-term incentives, with approximately two-thirds of that amount delivered as cash-settled performance shares and one-third as a stock-settled performance award. Mr. Kimble plays a critical role in the execution and delivery of our continuous improvement and collaboration initiatives and his dedication to these initiatives will provide stability to these important efforts.

Mr. Midkiff, who joined Key as Chief Risk Officer in January 2018 was granted a 2019 long-term incentive award allocated 50% to cash-settled performance awards, 40% to restricted stock units and 10% to stock options. He also received incentive compensation which differs from that of the other Names Executive Officers and was negotiated at the time of his hiring, including the following:

A cash sign-on bonus payment of $500,000, in addition to participation in the Annual Incentive Plan for 2018.

An award of time-based restricted stock units with a value of $1,100,000 and ratable vesting over a three-year period, in lieu of participation in the long-term incentive program applicable to other Named Executive Officers in 2018.

Relocation benefits pursuant to Key s policies for newly-hired senior executives.

2019 Performance Awards

The cash-settled performance awards granted in 2019 provide our Named Executive Officers with the opportunity to receive between 0% and 150% of their target number of cash performance shares based on our level of achievement of the following performance goals during the three-year performance period ending on December 31, 2021. Although the value of these cash performance awards is directly tied to share price, payout will be in the form of cash.

2019-2021 Long-Term Incentive Plan

Performance Goals	Weight	Performance Required for Payout			Other Factors (Vesting Reduction Only)
		Min.	Target	Max.	
TSR vs. Peers	25%	25% ile	50% ile	75% ile	ERM Dashboard
Return on Tangible Common Equity vs. Peers	25%	25% ile	50% ile	75% ile	Execution of Strategic Priorities
Cumulative Earnings Per Share	50%	75% of Plan	100% of Plan	125% of Plan	Other factors, as appropriate

The Compensation Committee believes that each of the performance goals set forth above strongly correlates to long-term shareholder value creation. When selecting the performance goals, the Compensation Committee considered that EPS is also a performance metric in our Annual Incentive Plan but determined that achievement of three-year EPS goals rewards sufficiently different performance than annual EPS goals. The other factors included in the performance metrics may only reduce the vesting of cash performance shares if, in the Compensation Committee s judgment, performance with regard to these other factors is insufficient.

As noted above, approximately one-third of Mr. Kimble s performance awards for the 2019-2021 performance period are stock-settled, and those performance awards will be earned based on the whether the ratio of average PPNR to Average Assets for this period is at least 75% of the same ratio for the preceding three-year period, which is a metric which has historically been used by the Company in connection with performance awards.

The Compensation Committee believes that performance awards encourage our Named Executive Officers to make decisions and to deliver results over a multi-year time period, thereby keeping a focus on our long-term performance objectives. In addition, performance awards allow us to retain executive talent because executives generally must remain employed through the end of the performance period to realize the full value of the award.

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Restricted Stock Units

Restricted stock units allow our Named Executive Officers to receive common shares subject to their continued employment during the applicable vesting period. Restricted stock units align the interests of our executives with those of our shareholders by providing a direct link to share price, seeing that our executives maintain robust levels of share ownership, and providing strong incentives for retention of key executives. We grant restricted stock units in part because the value is tied to share price, which balances the risk-taking incentive that may be associated with stock options or performance shares. Our restricted stock units generally vest ratably over a four-year period, although as described above, the restricted stock units granted to Mr. Midkiff in 2018 vest ratably over a three-year period.

Stock Options

Stock options allow our Named Executive Officers to purchase shares at a price not less than the grant date closing price of our common shares on the New York Stock Exchange (or, if there is no reported closing price on the grant date, the closing price on the preceding business day). Our stock options vest ratably over a four-year period and have a ten-year term.

We believe that stock options are an effective tool to align the interests of our shareholders with those of our executives as long as they are appropriately risk-balanced and granted in measured amounts. Our regulators, however, have expressed concerns about the leverage associated with stock options and the possibility of executives realizing a disproportionate award. Accordingly, since 2013, we have limited our usage of stock options to no more than 10% of each Named Executive Officer s annual long-term incentive opportunity.

Total Pay of Our Named Executive Officers

The following information highlights the 2018 compensation actions approved by the Compensation Committee for our Named Executive Officers with respect to their performance in 2018 as well as the approved payout level of our 2016 awards of performance shares, which vested in 2019, based on our performance between 2016 and 2018.

Actual Total Pay for 2018 Performance

The following table shows the Compensation Committee s 2018 total pay decisions for our Named Executive Officers. The amounts reported in the table differ substantially from those reported for 2018 in the Summary Compensation Table, which reflects long-term incentives granted during a year, rather than after year-end, even if awarded for services in that year. We consider long-term incentives granted during a given year to be part of the prior year s compensation.

After assessing each individual s performance during 2018, the Compensation Committee approved the annual and long-term incentive awards for our Named Executive Officers described below:

Actual Total Pay

Name	Base Salary	Actual 2018 Annual Incentive Award ($)(1)	Actual 2019 Long-Term Incentive Award ($)(1)	Total Actual Pay	Total Incentive Deferred (%)(2)
Beth E. Mooney	1,200,000	2,500,000	6,380,000	10,080,000	72%
Donald R. Kimble	700,000	1,200,000	2,300,000	4,200,000	66%
Christopher M. Gorman	700,000	1,700,000	2,800,000	5,200,000	62%
Andrew J. Randy Paine III	500,000	1,500,000	2,000,000	4,000,000	57%
Mark W. Midkiff	600,000	1,000,000	1,100,000	2,700,000	52%

(1) We require that at least 50% of the total incentive that is, the sum of the 2018 annual incentive actually earned and the target value of 2019 long-term incentives of each Named Executive Officer (60% for our Chairman and CEO) be delivered in the form of deferred compensation, subject to a multi-year vesting schedule and risk-adjusted vesting. If the total incentive does not satisfy this requirement, a portion of the Named Executive Officer s discretionary cash incentive is delivered as deferred compensation.

(2) This column shows the actual percentage of each Named Executive Officer s total incentive delivered as deferred incentive compensation, including any portion of the Named Executive Officer s annual incentive required to be deferred.

When making pay decisions, the Compensation Committee considers a number of factors, including the funding level of our Annual Incentive Plan, each executive officer s individual performance, the relative pay levels for the other executive officers and our deferral expectations, which require that at least 50% of the total incentives the sum of annual and long-term incentives of each Named Executive Officer (60% for our Chairman and Chief Executive Officer) be deferred and subject to

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Compensation Discussion and Analysis

risk adjustment, including forfeiture and clawback. For the 2018 performance year, the total pay opportunity for three Named Executive Officers included target pay increases based on considerations such as continued strong growth of the business, internal equity, market practice, and tenure.

The 2018 pay decisions for our Named Executive Officers were made after consideration of the following:

Ms. Mooney

Ms. Mooney s 2018 target total pay opportunity was $9,500,000. When evaluating Ms. Mooney s 2018 performance, the Board recognized the quality of Key s execution against our long-term strategy, including efforts around client centricity, collaboration, and enhancements in digital capabilities that we showcased during our Investor Day. Ms. Mooney also was recognized for setting the appropriate tone at the top to balance business growth and risk, while driving engagement with shareholders, regulators, and employees. Based on this assessment, the Compensation Committee approved actual 2018 pay for Ms. Mooney of $10,080,000.

Mr. Kimble

Mr. Kimble s target total pay opportunity for 2018 was $3,600,000. The Compensation Committee approved actual total pay for 2018 of $4,200,000. In making this decision, the Compensation Committee recognized Mr. Kimble s leadership as Key s financial performance neared our long-term targets, as well as his expansive and critical role around our continuous improvement efforts, including supporting both expense control and revenue growth.

Mr. Gorman

Mr. Gorman s 2018 target total pay opportunity was $5,000,000. The Compensation Committee approved actual total pay for 2018 of $5,200,000. Mr. Gorman s pay reflects the Compensation Committee s recognition of the strong overall performance of the banking organization, including record full-year revenue for Key. Mr. Gorman continues to lead Key s efforts around client centricity, collaboration, and process simplification and is responsible for a significant portion of Key s expense savings initiative announced in the fourth quarter of 2018.

Mr. Paine

Mr. Paine s target total pay opportunity for 2018 was $3,800,000, and the Compensation Committee approved actual total pay for 2018 of $4,000,000. The pay determination for Mr. Paine reflects his contributions to the Corporate Bank s record growth in Investment Banking and Debt Placement revenue and the successful integration of the Cain Brothers acquisition from late 2017 and the strong performance by the Cain Brothers business.

Mr. Midkiff

Mr. Midkiff s 2018 target total pay opportunity was $2,700,000. The Compensation Committee approved actual total pay for 2018 of $2,700,000. The Compensation Committee elected to pay Mr. Midkiff at target in recognition that this was his first year at Key.

Payout of 2016 Performance Awards

On February 15, 2016, each Named Executive Officer (excluding Mr. Midkiff) received an award of performance shares as part of his or her long-term incentive opportunity. The Named Executive Officers could earn between 0% and 150% of the performance shares granted based on the achievement of our 2016 long-term incentive plan, described below.

On February 18, 2019, the Compensation Committee approved a final performance level for our 2016 long-term incentive plan of 98.1%, as described below. This performance level represents the right to receive 98.1% of the target 2016 performance share opportunity based on the closing price of our common stock of $17.51 as of February 15, 2019.

2016-2018 Long-Term Incentive Plan

		Performance Req d for Payout				
Performance Goals (1)	**Weight**	**Min.**	**Target**	**Max.**	**Actual Result**	**Final Funding**
Total Shareholder Return vs. Peer Group	25%	25% ile	50% ile	75% ile	38% ile	19%
Return on Assets vs. Peer Group	25%	25% ile	50% ile	75% ile	54% ile	27%
Cumulative Earnings Per Share	50%	$3.10	$4.14	$5.17	$4.22	52%

Calculated Performance	98.1%
Committee Approved Performance	98.1%

(1) EPS and ROA actual results are based on continuing operations and exclude notable items, as described below under the heading Definitions of Certain Financial Goals.

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Performance of our 2016 long-term incentive plan was driven by Return on Assets (ROA) against the peer group and Cumulative Earnings Per Share (EPS) above target. The EPS target excludes the impact of interest rates and if rates rise, a corresponding adjustment is made to the EPS target.

Before approving this final performance level, the Compensation Committee considered our ERM dashboard and our execution against strategic priorities and, based on this review, concluded that no reduction in calculated performance was warranted.

Alignment of Pay and Performance

Our executive compensation program is designed so that a substantial portion of the pay of our Chairman and Chief Executive Officer is delivered in the form of long-term incentives which means that both her Realized Pay (the amount she actually may receive in any year) as well as her Realizable Pay (her future pay opportunity) are tied directly to our share price performance and achievement of our long-term financial goals.

Ms. Mooney s pay, as reported in the Summary Compensation Table (SCT), reflects the accounting value of long-term incentives at the time of grant and not the value actually received from these grants or their potential future value. As a result, we believe that it is useful to compare Ms. Mooney s Adjusted SCT Pay, Realized Pay, and Realizable Pay, in each case between 2016 and 2018, with our total shareholder return for the same period. This comparison shows the alignment of Ms. Mooney s pay and the return to our shareholders, as illustrated below:

CEO Pay vs. Performance

Adjusted SCT, Realizable and Realized Compensation

The comparison of Ms. Mooney s Realizable Pay to her Adjusted SCT Compensation in each given year demonstrates the alignment of Ms. Mooney s pay and the return to shareholders. For example, in 2018 Ms. Mooney s Adjusted Summary Compensation was higher than her Realizable Pay due to the reduction in Key s share price from 2017 to 2018.

Ms. Mooney s Realized Pay between 2016 and 2018 consisted of the following elements. As noted in the chart above and the table below, Ms. Mooney s Realized Pay for 2017 included compensation from her exercise during that year of a significant number of previously granted stock options.

	2016	2017	2018

	($)	($)	($)
Base salary received	1,000,000	1,000,000	1,153,846
Annual incentive payments	2,700,000	2,675,000	2,500,000
Restricted stock/units vesting	1,267,879	2,919,298	2,765,377
Performance share vesting	3,075,096	2,860,006	3,415,593
Stock option exercise*		5,946,119	
Total	**8,042,975**	**15,400,423**	**9,834,816**

* *Ms. Mooney did not exercise any stock options in 2016 or 2018.*

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Compensation Discussion and Analysis

The preceding chart and table are not substitutes for the information required to be contained in the Summary Compensation Table, but provide additional information with regard to our Chairman and Chief Executive Officer s pay.

For purposes of the preceding chart and table, we define:

Adjusted SCT as the compensation reported in the Summary Compensation Table for the applicable year (i.e., 2016, 2017 or 2018), adjusted by excluding Changes in Pension Value and Nonqualified Deferred Compensation Earnings and All Other Compensation. We excluded these items because they represent amounts that are not realizable pay or that will never become realized pay or which will not become realized pay until termination of employment or later, and do not have a realizable value.

Realizable Pay as the sum of: (i) actual base salary and incentives paid for the applicable year; (ii) the value of all restricted stock units granted during the applicable year based on the December 31, 2018, closing price of our common shares; (iii) the intrinsic value (i.e., the excess, if any, of the December 31, 2018, closing price of our common shares over the option exercise price) of all stock options granted during the applicable year; and (iv) the target value of all performance awards granted during the applicable year based on the December 31, 2018, closing price of our common shares.

Realized Pay as the sum of (i) actual base salary and incentives paid for the applicable year plus (ii) the amount reported as income upon vesting of performance awards, restricted stock units, or exercise of stock options.

Other Elements of Compensation

Perquisites

The perquisites currently made available to all Named Executive Officers include an annual executive physical as well as a tax and financial planning perquisite, with a set per participant cost to Key. In 2018, the Compensation Committee approved a subset of executive officers as eligible for home security monitoring. The executives who receive security monitoring were determined by Key s Corporate Security team based on an assessment of the executive s profile, the potential risks posed to the executive, and the risks to Key if a crime were to occur. We also provide Ms. Mooney with residential security services and, in some instances, require that she use a secure automobile and professionally trained driver as a matter of security. Ms. Mooney pays for the cost of the automobile and driver when used solely for personal purposes. In addition, we pay the annual premium on an individual disability insurance policy for Mr. Gorman that was put into place before he became an executive officer. We also provide relocation assistance to newly-hired senior executives in some cases, such as the assistance provided to Mr. Midkiff in connection with his hiring in 2018.

Retirement Programs

Our Named Executive Officers are eligible to participate in our qualified 401(k) Savings Plan on the same basis as all other eligible employees. The 401(k) Savings Plan provides for matching contributions up to 6% on amounts deferred and a discretionary profit sharing contribution on participants eligible compensation, each subject to applicable Internal Revenue Service (IRS) limitations. The Compensation Committee established the profit sharing contribution for 2018 at 2% of a participant s eligible earnings.

Our Named Executive Officers also are eligible to participate in our non-qualified Deferred Savings Plan, which provides a select group of highly compensated individuals with the ability to defer compensation and receive matching contributions on compensation in excess of what is eligible to be deferred to the 401(k) Savings Plan. In 2014, the Compensation Committee eliminated the annual profit sharing contribution to the Deferred Savings Plan and, beginning in 2015, capped the amount of compensation eligible for a 6% matching contribution at $500,000. In 2019, the matching contribution to the plan was eliminated.

Beginning with performance award grants in 2019, Named Executive Officers are also eligible to participate in our non-qualified Long-Term Incentive Deferral Plan, which provides select executives (including Named Executive Officers) the ability to defer receipt of a portion of their performance award beyond the original vesting date to a date not sooner than their termination date.

The matching and profit sharing contributions made to the 401(k) Savings Plan and the matching contributions made to the Deferred Savings Plan on behalf of the Named Executive Officers are included in the All Other Compensation column to the 2018 Summary Compensation Table on page 39 of this proxy statement.

Ms. Mooney and Messrs. Gorman and Paine participated in our Cash Balance Pension Plan and Second Excess Cash Balance Pension Plan, each of which we froze effective December 31, 2009. Additional information about our pension programs is included in the narrative to the 2018 Pension Benefits Table beginning on page 45 of this proxy statement.

Separation Pay

We maintain the KeyCorp Separation Pay Plan, which generally covers all of our employees, including our Named Executive Officers, and provides assistance upon termination as a result of a reduction in staff. Our Separation Pay Plan is described in the Potential Payments Upon Termination or Change of Control table on page 47 of this proxy statement.

Change of Control Agreements

Each Named Executive Officer has entered into a Change of Control Agreement with us. We use Change of Control Agreements to help attract and retain executive talent. The Compensation Committee and the Board of Directors each believes that it is in the best interests of shareholders to ensure that our Named Executive Officers are able to evaluate objectively the merits of a potential transaction without being distracted by its potential impact on their personal employment situations. The Compensation Committee believes that most companies in our Peer Group maintain similar change of control arrangements for their executive officers. Our Change of Control Agreements are described in the Potential Payments Upon Termination or Change of Control table on page 47 of this proxy statement.

How We Make Pay Decisions

We seek to maintain a competitive level and mix of pay reflective of the market in which we compete for talent. We do this by reviewing the levels and types of compensation paid to executive officers in similar positions at companies in our Peer Group and the other companies with which we compete for talent.

Peer Group

In setting compensation for our Named Executive Officers, the Compensation Committee examines the compensation data of our peer companies provided by Compensation Advisory Partners (CAP), an independent executive compensation advisory firm, to better understand whether our pay practices remain appropriate when measured against the competitive landscape. While this market data is useful, the Compensation Committee does not rely only on this data for targeting compensation levels, but uses it as a basis for validating relative competitive pay for our Named Executive Officers. The Compensation Committee also considers market conditions, promotions, individual performance, and other relevant circumstances as it determines our Named Executive Officers compensation levels.

For 2018, the Compensation Committee continued to use the peer group identified following Key s merger with First Niagara. The peer group was identified based on a multi-dimensional review considering factors such as asset size relative to the other institutions within the Peer Group and the different regulatory expectations for institutions with greater than $50 billion in assets. The companies in our Peer Group maintain a strong brand and reputation and actively compete with us for executive talent. The companies in our 2018 Peer Group were (listed in alphabetical order):

BB&T Corporation

Citizens Financial Group, Inc.

Comerica Incorporated

Fifth Third Bancorp
Huntington Bancshares Incorporated

M&T Bank Corporation

The PNC Financial Services Group, Inc.
Regions Financial Corporation

SunTrust Banks, Inc.

U.S. Bancorp

Zions Bancorporation

As of December 31, 2018, the median asset size, full year revenue, and market capitalization of the Peer Group compared to our asset size, total revenue, and market capitalization is set forth in the table below:

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Compensation Discussion and Analysis

Role of the Compensation Committee

The Compensation Committee sets the pay and evaluates the performance of our Chairman and Chief Executive Officer, with input from the full Board, and reviews and approves the compensation of a select group of other executives, including the Named Executive Officers. The Compensation Committee, as part of its oversight of the management and organizational structure of the corporation, annually reviews KeyCorp s management succession plan for the Chief Executive Officer and other senior executives and oversees leadership development and diversity and inclusion efforts.

Our Chairman and Chief Executive Officer attends Compensation Committee meetings and provides information and input about the pay levels and performance of our Named Executive Officers, other than herself. The Compensation Committee regularly meets in executive session, during which no member of management is present, to discuss the recommendations and approve pay actions for our Named Executive Officers, including our Chairman and Chief Executive Officer.

Compensation Consultant

The Compensation Committee has retained the services of CAP, an independent executive compensation advisory firm. At the Compensation Committee s request, CAP provides it with information on current trends in compensation design and emerging compensation practices. CAP also provides the Compensation Committee with an annual review and analysis of the compensation programs of our Peer Group, which it updates during the latter half of the year to determine whether the compensation targets of the Named Executive Officers remain competitive. CAP reports directly to, and serves at the sole pleasure of, the Compensation Committee. CAP provided no services to us other than the executive compensation consulting services that were requested by the Compensation Committee.

As part of its annual evaluation of its advisors, the Compensation Committee solicited information from CAP regarding any actual or perceived conflicts of interest and to evaluate its independence. Based on the information received from CAP, the Compensation Committee believes that the work CAP performed in 2018 did not raise a conflict of interest and that CAP is independent.

Consideration of Our Say-on-Pay Shareholder Vote

We continue to receive strong shareholder support for our Named Executive Officers compensation program, as reflected in the results of our annual say-on-pay proposals, which received an average of 95% support over the past five years. We view the results of our say-on-pay votes as evidence that our executive compensation program provides pay for performance and appropriately aligns the interests of our Named Executive Officers with those of our shareholders.

Shareholder Outreach

Key maintains an active shareholder engagement program through which we periodically receive feedback from and have discussions with investors around our compensation philosophy and structure. These continuing conversations with our investors help us better understand matters of importance to our investors regarding our executive compensation program and help us to shape our pay-for-performance strategy. For more information, please see Shareholder Engagement on pages 17 and 18 of this proxy statement.

Compensation Committee Independence, Interlocks and Insider Participation

The members of the Compensation Committee are Bruce Broussard, Alexander M. Cutler, William G. Gisel, Jr. (Chair), and Barbara R. Snyder, each of whom is an independent director under KeyCorp s categorical independence standards, the general independence standards for directors established by the New York Stock Exchange, and the heightened independence standards required of Compensation Committee members by the New York Stock Exchange. No member of the Compensation Committee is a current, or during 2018 was, a former, officer or employee of KeyCorp or any of its subsidiaries or affiliates. During 2018, no member of the Compensation Committee had a relationship that must be described under the SEC rules relating to disclosure of related party transactions. In 2018, none of our executive officers served on the board of directors or compensation committee of any entity that had one or more of its executive officers serving on our Board or Compensation Committee.

Tax and Accounting Considerations

In structuring our executive compensation program, the Compensation Committee takes into account the tax and accounting treatment of our executive compensation arrangements; however, those considerations are not controlling factors in the design of our executive compensation program. For example, the Tax Cuts and Jobs Act, enacted in December 2017, included a number of significant changes to Section 162(m) of the Internal Revenue Code, as amended (Section 162(m)), such as the repeal of the qualified performance-based compensation exemption and the expansion of the definition of covered employees (for example, by including the chief financial officer and certain former named executive officers as covered employees). As a result of these changes, except as otherwise provided in the transition relief provisions of the Tax

Cuts and Jobs Act, compensation paid to any of our covered employees generally will not be deductible in 2018 or future years, to the extent that it exceeds $1,000,000. As has historically been the case, the Compensation Committee reserves the ability to pay compensation to our executives in appropriate circumstances, even if such compensation is not deductible under Section 162(m).

Definitions of Certain Financial Goals

As described previously in this Compensation Discussion and Analysis, we use a balanced mix of financial and strategic goals to measure performance under our Annual Incentive Plan and for purposes of determining the vesting of performance shares. The financial goals are defined as follows:

Cash Efficiency Ratio (non-GAAP measure): Noninterest expense (GAAP) less intangible asset amortization divided by net interest income (GAAP) plus taxable-equivalent adjustment (non-GAAP) plus noninterest income (GAAP).

EPS: Income from continuing operations attributable to KeyCorp common shareholders, divided by weighted-average common shares and potential common shares outstanding.

PPNR (non-GAAP measure): Net interest income (GAAP) plus taxable-equivalent adjustment (non-GAAP) plus noninterest income (GAAP) less noninterest expense (GAAP), all from continuing operations.

Return on Tangible Common Equity (non-GAAP measure): Income from continuing operations attributable to Key common shareholders (GAAP) divided by average KeyCorp shareholders equity, less average intangible assets, adjusted for average purchased credit card relationships, less average preferred stock.

Net Charge-Offs: Total loans charged off less total loan recoveries, all from continuing operations.

Tangible Common Equity Ratio (non-GAAP measure): KeyCorp shareholders equity (GAAP) less intangible assets, adjusted for purchased credit card relationships, less preferred stock, net of capital surplus, divided by total assets (GAAP) less intangible assets, adjusted for purchased credit card relationships.

Total Shareholder Return: Based on average closing share price over the last 20 trading days in the base year (i.e., for performance shares awarded in 2019, the last 20 trading days of 2018) versus average closing share price in the last 20 days in year three, plus investment of dividends paid during the measurement period.

Cash Efficiency Ratio, EPS, PPNR, and Return on Tangible Common Equity also exclude notable items. A reconciliation of GAAP to non-GAAP financial measures and the identification of notable items can be found on slides 21 and 22 of our Fourth Quarter 2018 Earnings Review filed as Exhibit 99.2 to Form 8-K on January 17, 2019.

In its judgment, the Compensation Committee may adjust the performance goals for certain extraordinary items identified by the Compensation Committee to reflect changes in accounting, the regulatory environment, strategic corporate transactions, and other unusual or unplanned events.

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Compensation and Organization Committee Report

Compensation and Organization Committee Report

The Compensation and Organization Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth beginning on page 24 of this proxy statement and, based on this review and discussion, has recommended to the KeyCorp Board of Directors the inclusion of the Compensation Discussion and Analysis in this proxy statement.

Compensation and Organization Committee of the KeyCorp Board of Directors

Bruce Broussard

Alexander M. Cutler

William G. Gisel, Jr. (Chair)

Barbara R. Snyder

Compensation of Executive Officers and Directors

2018 Summary Compensation Table

The following table sets forth the compensation paid to, awarded to, or earned by the Named Executive Officers with respect to the years ended December 31, 2018, 2017, and 2016, to the extent applicable. Mark W. Midkiff was not a Named Executive Officer in 2017 and 2016. Therefore, his compensation for those years is not included in the Summary Compensation Table below.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($) (See chart below)(6)	Total ($)
Beth E. Mooney	**2018**	1,153,846		4,792,497	532,495	2,500,000	4,565	81,067	9,064,470
Chairman and CEO	**2017**	1,000,000		3,959,986	439,999	2,675,000	3,932	67,553	8,146,470
	2016	1,000,000		3,959,985	439,999	2,700,000	4,176	63,043	8,167,203
Donald R. Kimble	**2018**	688,462		1,394,971	154,998	1,200,000		35,500	3,473,931
	2017	650,000		1,349,971	149,997	1,400,000		35,400	3,585,368
Chief Financial	**2016**	638,462		1,349,990	149,999	950,000		36,625	3,125,076

Officer, Vice Chair									
Christopher M. Gorman	**2018**	700,000		2,339,968	259,999	1,700,000	25,636	34,780	5,060,383
	2017	678,846		2,159,980	239,996	2,000,000	22,079	35,400	5,136,301
President of Banking, Vice Chair	**2016**	638,462		2,159,985	239,999	2,300,000	23,448	36,625	5,398,519
Andrew J. Randy Paine III	**2018**	500,000		1,709,998	189,998	1,500,000	19,695	50,202	3,969,893
	2017	500,000		1,619,980	179,998	1,700,000	16,962	35,400	4,052,340
Co-Head, Key Corporate Bank	**2016**	500,000		1,732,486	192,499	1,800,000	18,015	36,625	4,279,625
Mark W. Midkiff	**2018**	553,846	500,000	1,099,981		1,000,000		162,839	3,316,666
	2017								
Chief Risk Officer	**2016**								

(1) *Mr. Midkiff received a cash payment of $500,000, as a sign-on bonus, in connection with his hiring as our Chief Risk Officer in January 2018.*

(2) *Amounts reported as Stock Awards reflect the grant date fair value of stock awards calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation (FASB ASC Topic 718). See Note 16 to the Consolidated Financial Statements contained in our 2018 Annual Report for an explanation of the assumptions made in valuing these awards.*

On February 19, 2018, each Named Executive Officer (other than Mr. Midkiff) received stock awards consisting of a target number of cash performance shares and restricted stock units representing 50%

and 40%, respectively, of each executive s long-term incentive opportunity. The target number of cash performance shares and restricted stock units awarded to each Named Executive Officer was determined by dividing the dollar amount of the Named Executive Officer s cash performance share and restricted stock unit awards by the grant date closing price of our common shares (rounded down to the nearest whole share). February 19, 2018 was not a trading day and our equity compensation plan requires that in that circumstance, the closing price of our common shares on the most recent trading day in this case February 16, 2018 be used as the grant date closing price. On February 16, 2018, the closing price of our common shares was $21.02.

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Compensation of Executive Officers and Directors

If our performance during the measurement period resulted in the maximum number of 2018 cash performance shares vesting, our executives would be entitled to a maximum award with a grant date fair value of the maximum award set forth in the following table.

Named Executive Officer	Grant Date Fair Value of Performance Shares at Maximum Award ($)
Beth E. Mooney	$3,993,747
Donald R. Kimble	$1,162,480
Christopher M. Gorman	$1,949,973
Andrew J. Randy Paine III	$1,424,998
Mark W. Midkiff	

Mr. Midkiff did not receive any cash performance shares in 2018. The amount reported for Mr. Midkiff as a Stock Award reflects $1,100,000 of restricted stock units granted to him on January 22, 2018 in connection with his hiring, based on that day s closing price of our common shares of $21.39 (rounded down to the nearest whole share). Additional information about the award granted to Mr. Midkiff can be found in the 2018 Grants of Plan-Based Awards Table on page 41 of this proxy statement.

(3) Amounts reported in the Option Awards column reflect the aggregate grant date fair value of options using the Black-Scholes option pricing model. On February 19, 2018, each Named Executive Officer (other than Mr. Midkiff) received an annual long-term incentive award consisting, in part, of an

award of nonqualified stock options. See Note 16 to the Consolidated Financial Statements contained in our 2018 Annual Report for an explanation of the assumptions made in valuing stock options granted to our Named Executive Officers in 2018.

(4) *Amounts reported as Non-Equity Incentive Plan Compensation reflect annual incentives earned by each Named Executive Officer for the applicable year.*

(5) *Amounts reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column reflect the interest credits allocated to Ms. Mooney, Mr. Gorman, and Mr. Paine under the frozen Cash Balance Pension Plan and Second Excess Cash Balance Pension Plan. We froze our pension benefits for all employees, including the Named Executive Officers, effective December 31, 2009, as described in the narrative to the 2018 Pension Benefits Table beginning on page 45 of this proxy statement. No above market or preferential earnings were paid to any Named Executive Officer on nonqualified deferred compensation.*

(6) *The following table sets forth detail about the amounts reported in the All Other Compensation column.*

Name	**Executive Physical ($)(a)**	**Executive Security ($)(b)**	**Car and Driver ($)(c)**	**Relocation ($)(d)**	**Financial Planning ($)(e)**	**Insurance ($)(f)**	**Matching Contribution ($)(g)**	**Profit Sharing ($)(h)**	**Total ($)**
Beth E. Mooney		15,775	13,125		16,667		30,000	5,500	81,067
Donald R. Kimble							30,000	5,500	35,500
Christopher M. Gorman		12,575				205	16,500	5,500	34,780
Andrew J. Randy Paine III	1,802	12,900					30,000	5,500	50,202
Mark Midkiff		25,636		121,399	15,804				162,839

(a) *Cost of executive physical for Mr. Paine during 2018.*

(b) Based on the recommendations of an independent security study, the Compensation Committee approved a comprehensive security program for Ms. Mooney and select executives. Under this program, we pay for certain security upgrades.

(c) The Compensation Committee has authorized, and in some instances required, Ms. Mooney to use a secure automobile and professionally-trained driver for business and personal travel. Ms. Mooney reimburses us for the cost of automobile and driver when used solely for personal purposes.

(d) In connection with his hiring as Chief Risk Officer, Key provided relocation benefits to Mr. Midkiff consisting of moving and storage expenses, temporary living assistance in the new location, home purchase assistance, a $10,000 cash relocation allowance, and related tax gross-up payments totaling $33,809, which are included in the amount reported in this column.

(e) The Compensation Committee approved a tax and financial planning perquisite, which was introduced in 2016. The amount shown in this column represents the cost to Key for any Named Executive Officer who utilized this benefit.

(f) The amount in this column reflects the premium cost of a disability insurance policy for Mr. Gorman.

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(g) *The amounts in this column consist of Company contributions to the qualified 401(k) Savings Plan and the nonqualified Deferred Savings Plan. For more information about these plans, see page 34 of this proxy statement.*

(h) *Employees participating in our 401(k) Savings Plan receive a discretionary profit sharing contribution equal to a percentage of their plan-eligible compensation. The contribution percentage is determined annually by the Compensation Committee. For 2018, the profit sharing contribution to this plan was 2.0%. For more information about this plan, see page 34 of this proxy statement.*

2018 Grants of Plan-Based Awards Table

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ($)(1)			Estimated Future Payouts Under Equity Incentive Plan Awards (#)(2)						
Name	**Grant Date**	**Threshold**	**Target**	**Maximum**	**Threshold**	**Target**	**Maximum**	**All Other Stock Awards (# of Shares or Units)(3)**	**All Other Option Awards (# of Shares Underlying Options)(4)**	**Exercise or Base Price of Option Awards ($/Sh)(5)**	**Grant Date Fair Value of Stock and Option Awards ($)(6)**
Beth E. Mooney		1,250,000	2,500,000	5,000,000							
	2/19/18				63,333	126,665	189,998				2,662,498
	2/19/18								104,003	21.02	532,495
	2/19/18							101,332			2,129,999
Donald R. Kimble		600,000	1,200,000	2,400,000							
	2/19/18				18,435	36,869	55,304				774,986

	2/19/18								30,273	21.02	154,998
	2/19/18							29,495			619,985
Christopher M. Gorman		850,000	1,700,000	3,400,000							
	2/19/18				30,923	61,845	92,768				1,299,982
	2/19/18								50,781	21.02	259,999
	2/19/18							49,476			1,039,986
Andrew J. Randy Paine III		750,000	1,500,000	3,000,000							
	2/19/18				22,598	45,195	67,793				949,999
	2/19/18								37,109	21.02	189,998
	2/19/18							36,156			759,999
Mark W. Midkiff		500,000	1,000,000	2,000,000							
	1/22/18							51,425			1,099,981

(1) Amounts reported as Estimated Possible Payouts Under Non-Equity Incentive Plan Awards reflect the individual annual incentive opportunity each of the Named Executive Officers could receive at threshold (50% of target), at target, and at maximum (200% of target) performance for the one-year performance period ended December 31, 2018. The maximum individual opportunity that any Named Executive Officer can earn is different than the maximum funding level of our Annual Incentive Plan described in the Compensation Discussion and Analysis section of this proxy statement. Actual annual incentive payments are reflected in the 2018 Summary Compensation Table on page 39 of this proxy statement.

(2) Amounts reported in the Estimated Future Payouts Under Equity Incentive Plan Awards column reflect the threshold (50% of target), target, and maximum (150% of target) long-term incentive awards in the form of cash performance shares that each Named Executive Officer (other than Mr. Midkiff) could earn for the three-year performance period beginning on January 1, 2018, and ending December 31, 2020. Our performance share awards are discussed in the Compensation Discussion and Analysis section of this proxy statement. The dollar value awarded to each of the Named Executive Officers as performance shares was converted into a book entry target number of phantom shares that track the stock price and pay out in the form of shares. The price at which the performance shares were converted was based on the grant date closing price of our common shares of $21.02. Please see footnote 2 to the 2018 Summary Compensation Table for a discussion of how we arrive at the grant date fair value. Dividend equivalents on the target number of shares are reinvested and subject to the same terms and restrictions otherwise applicable to the underlying performance shares.

(3)

Amounts reported in the All Other Stock Awards column are the number of restricted stock units granted to each of the Named Executive Officers (other than Mr. Midkiff) on February 19, 2018, which vest in four equal installments following the grant date. Mr. Midkiff was granted restricted stock units on January 22, 2018, which vest in three equal installments following the grant date.

(4) Amounts reported in the All Other Option Awards column are the number of KeyCorp common shares underlying the stock options granted to each of the Named Executive Officers (other than Mr. Midkiff) on February 19, 2018. Stock options granted in 2018 vest in four equal annual installments following the grant date.

(5) We set the exercise price of all stock options using the grant date closing price of our common shares of $21.02. Please see footnote 3 to the 2018 Summary Compensation Table for a discussion of how we arrive at the grant date fair value. The Compensation Committee does not reprice options. We have not and will not back-date options, nor do we provide loans to employees in order to exercise options. If an equity-based award is granted in a month in which our earnings are publicly disclosed, the grant date will be the date of the Compensation Committee meeting granting the equity-based award or three days following the earnings release, whichever is later.

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Compensation of Executive Officers and Directors

(6) Amounts reported in the Grant Date Fair Value of Stock and Options Awards column represent the aggregate grant date fair value of equity awards granted during the respective year. The accounting assumptions used in calculating the grant date fair value for the equity awards are described in Note 16 to the Consolidated Financial Statements contained in our 2018 Annual Report.

The impact of terminations and a change of control on the Grants of Plan-Based Awards is shown in more detail in the Potential Payments Upon Termination or Change of Control table on page 47 of this proxy statement.

2018 Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information for each Named Executive Officer with respect to (i) each stock option that had not been exercised and remained outstanding as of December 31, 2018, (ii) each award of restricted stock units that had not vested and remained outstanding as of December 31, 2018, and (iii) each award of performance shares or cash performance shares that had not vested and remained outstanding as of December 31, 2018.

		Option Awards				Stock Awards			
	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)(1)	Number of Securities Underlying Unexercised Options Unexercisable (#)(2)	Option Exercise Price ($)(3)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(4)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(5)	E In A Ma F V Un S U (I Ha V
looney	5/19/2011	249,879		8.59	5/19/2021				
	3/2/2012	437,737		7.98	3/2/2022				
	3/1/2013	112,676		9.33	3/1/2023				

	2/17/2014	76,045		12.92	2/17/2024				
	2/16/2015	69,284	23,094	14.11	2/16/2025				
	2/15/2016	102,804	108,803	10.49	2/15/2026				
	2/20/2017	23,913	71,739	18.96	2/20/2027				
	2/19/2018		104,003	21.02	2/19/2028				
	Aggregate non-option awards					521,522	7,708,095	252,676	3
. Kimble	2/17/2014	22,813		12.92	2/17/2024				
	2/16/2015	22,518	7,505	14.11	2/16/2025				
	2/15/2016	35,047	35,046	10.49	2/15/2026				
	2/20/2017	8,152	24,546	18.96	2/20/2027				
	2/19/2018		30,273	21.02	2/19/2028				
	Aggregate non-option awards					172,086	2,543,431	79,630	1
ner M. Gorman	5/19/2011	188,442		8.59	5/19/2021				
	3/2/2012	235,215		7.98	3/2/2022				
	3/1/2013	53,521		9.33	3/1/2023				
	2/17/2014	38,022		12.92	2/17/2024				
	2/16/2015	43,302	14,434	14.11	2/16/2025				
	2/15/2016	56,075	56,074	10.49	2/15/2026				
	2/20/2017	13,044	39,129	18.96	2/20/2027				
	2/19/2018		50,781	21.02	2/19/2028				
	Aggregate non-option awards					280,973	4,152,781	130,354	1
. Randy Paine III	3/2/2012	39,919		7.98	3/2/2022				
	3/1/2013	12,676		9.33	3/1/2023				
	2/17/2014	13,307		12.92	2/17/2024				
	2/16/2015	16,022	5,340	14.11	2/16/2025				
	2/15/2016	44,977	44,976	10.49	2/15/2026				
	2/20/2017	9,783	29,347	18.96	2/20/2027				
	2/19/2018		37,109	21.02	2/19/2028				
	Aggregate non-option awards					195,772	2,893,510	96,540	1
Midkiff						53,020	783,636		

Aggregate non-option awards	

(1) *This column shows the number of common shares underlying outstanding stock options that have vested as of December 31, 2018.*

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(2) This column shows the number of common shares underlying outstanding stock options that have not vested as of December 31, 2018. The remaining vesting dates are shown in the following table. All options described below vest in four equal annual installments from the grant date, unless otherwise noted.

Name	Grant Date	Options Outstanding	Remaining Vesting Dates
Beth E. Mooney	2/16/2015	23,094	2/17/2019
	2/15/2016	102,803	2/17/2019, 2/17/2020
	2/20/2017	71,739	2/17/2019, 2/17/2020, 2/17/2021
	2/19/2018	104,003	2/17/2019, 2/17/2020, 2/17/2021, 2/17/2022
Donald R. Kimble	2/16/2015	7,505	2/17/2019
	2/15/2016	35,046	2/17/2019, 2/17/2020
	2/20/2017	24,456	2/17/2019, 2/17/2020, 2/17/2021
	2/19/2018	30,273	2/17/2019, 2/17/2020, 2/17/2021, 2/17/2022
Christopher M. Gorman	2/16/2015	14,434	2/17/2019
	2/15/2016	56,074	2/17/2019, 2/17/2020
	2/20/2017	39,129	2/17/2019, 2/17/2020, 2/17/2021
	2/19/2018	50,781	2/17/2019, 2/17/2020, 2/17/2021, 2/17/2022
Andrew J. Randy Paine III	2/16/2015	5,340	2/17/2019
	2/15/2016	44,976	2/17/2019, 2/17/2020
	2/20/2017	29,347	2/17/2019, 2/17/2020, 2/17/2021
	2/19/2018	37,109	2/17/2019, 2/17/2020, 2/17/2021, 2/17/2022

(3)

This column shows the exercise price for each stock option reported in the table, which was at least 100% of the fair market value of our common shares on the grant date.

(4) *This column shows the aggregate number of restricted stock units outstanding as of December 31, 2018, and the number of 2016 performance shares or cash performance shares earned based on performance of 98.1% through December 31, 2018, that remain outstanding as of that date. The remaining vesting dates are shown in the following table. All awards described below vest in four equal annual installments from the grant date, unless otherwise noted under Vesting Schedules.*

Name	Grant Date	Shares or Units Outstanding	Remaining Vesting Dates	Vesting Schedules
Beth E. Mooney	2/16/2015	31,226	2/17/2019	
	2/15/2016	222,038	2/17/2019	Performance shares vest in full on 2/17/2019.
	2/15/2016	90,534	2/17/2019, 2/17/2020	
	2/20/2017	73,250	2/17/2019, 2/17/2020, 2/17/2021	
	2/19/2018	104,474	2/17/2019, 2/17/2020, 2/17/2021, 2/17/2022	
Donald R. Kimble	2/16/2015	10,148	2/17/2019	
	2/15/2016	75,694	2/17/2019	Performance shares vest in full on 2/17/2019.
	2/15/2016	30,864	2/17/2019, 2/17/2020	
	2/20/2017	24,970	2/17/2019, 2/17/2020, 2/17/2021	
	2/19/2018	30,410	2/17/2019, 2/17/2020, 2/17/2021, 2/17/2022	
Christopher M. Gorman	2/16/2015	19,516	2/17/2019	
	2/15/2016	121,111	2/17/2019	Performance shares vest in full on 2/17/2019.
	2/15/2016	49,382	2/17/2019, 2/17/2020	
	2/20/2017	39,954	2/17/2019, 2/17/2020, 2/17/2021	
	2/19/2018	51,010		

			2/17/2019, 2/17/2020, 2/17/2021, 2/17/2022	
Andrew J. Randy Paine III	2/16/2015	10,831	2/17/2019	Cash performance shares vest in full on 2/17/2019.
	2/15/2016	58,285	2/17/2019	
	2/15/2016	59,414	2/17/2019, 2/17/2020	
	2/20/2017	29,965	2/17/2019, 2/17/2020, 2/17/2021	
	2/19/2018	37,277	2/17/2019, 2/17/2020, 2/17/2021, 2/17/2022	
Mark W. Midkiff				33% vests each year for three years after the grant date.
	1/22/2018	53,020	1/22/2019, 1/22/2020, 1/22/2021	

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Compensation of Executive Officers and Directors

(5) *This column shows the aggregate number of performance shares or cash performance shares outstanding and shown at the target value of 100% based on performance as of December 31, 2018, other than the 2016 award of performance shares or cash performance shares which were earned based on performance between 2016 and 2018 and vested in full on February 17, 2019. The vesting dates for each award of performance shares or cash performance shares (including reinvested dividends) are shown in the following table. All awards described below vest in full after three years from the grant date, unless otherwise noted.*

Name	Grant Date	Shares or Units Outstanding	Remaining Vesting Dates
Beth E. Mooney	2/20/2017	122,083	2/17/2020
	2/19/2018	130,593	2/17/2021
Donald R. Kimble	2/20/2017	41,618	2/17/2020
	2/19/2018	38,012	2/17/2021
Christopher M. Gorman	2/20/2017	66,591	2/17/2020
	2/19/2018	63,763	2/17/2021
Andrew J. Randy Paine III	2/20/2017	49,943	2/17/2020
	2/19/2018	46,597	2/17/2021

2018 Option Exercises and Stock Vested Table

The following table provides information regarding the exercise of stock options and the vesting of restricted stock units during the year ended December 31, 2018, for the Named Executive Officers (other than Mr. Midkiff who did not exercise stock options or have restricted stock units that vested).

	Option Awards		Stock Awards		
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(8)	Award Vesting Date	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)

Beth E. Mooney			2/17/2018(1)	33,683	708,022
			2/17/2018(2)	30,287	636,630
			2/17/2018(3)	43,907	922,917
			2/17/2018(4)	23,683	497,808
			2/17/2018(5)	162,493	3,415,593
				294,053	6,180,970
Donald R. Kimble			2/17/2018(1)	10,104	212,391
			2/17/2018(2)	9,843	206,903
			2/17/2018(3)	14,968	314,621
			2/17/2018(4)	8,074	169,719
			2/17/2018(5)	52,810	1,110,056
				95,799	2,013,690
Christopher M. Gorman	65,000	639,902	2/17/2018(1)	16,841	354,000
			2/17/2018(2)	18,930	397,905
			2/17/2018(3)	23,949	503,407
			2/17/2018(4)	12,917	271,524
			2/17/2018(5)	101,557	2,134,736
				174,194	3,661,572
Andrew J. Randy Paine III			2/17/2018(1)	8,841	185,839
			2/17/2018(2)	10,506	220,826
			2/17/2018(3)	28,813	605,656
			2/17/2018(4)	9,689	203,654
			2/17/2018(6)	22,545	473,893
			2/17/2018(7)	53,003	1,114,125
				133,397	2,803,993

(1) Ms. Mooney and Messrs. Kimble, Gorman, and Paine each received a grant of restricted stock units on February 17, 2014, one-quarter of which vested on February 17, 2018.

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(2) Ms. Mooney and Messrs. Kimble, Gorman, and Paine each received a grant of restricted stock units on February 16, 2015, one-quarter of which vested on February 17, 2018.

(3) Ms. Mooney and Messrs. Kimble, Gorman, and Paine each received a grant of restricted stock units on February 15, 2016, one-quarter of which vested on February 17, 2018.

(4) Ms. Mooney and Messrs. Kimble, Gorman, and Paine each received a grant of restricted stock units on February 20, 2017, one-quarter of which vested on February 17, 2018.

(5) Ms. Mooney and Messrs. Kimble and Gorman each received a grant of performance shares as part of our annual long-term incentive program on February 16, 2015, which were earned based on our performance between 2015 and 2017 and fully vested and were paid in shares on February 17, 2018.

(6) Mr. Paine received a grant of cash performance shares as part of our annual long-term incentive program on February 16, 2015, which were earned based on our performance between 2015 and 2017 and fully vested and were paid in cash on February 17, 2018.

(7) Mr. Paine received a grant of restricted stock units on February 16, 2015, as part of our long-term incentive program, which fully vested on February 17, 2018.

(8) The value realized on exercise of an option award equals the number of shares for which the option was exercised multiplied by the excess of the closing market price of our common stock on the exercise date over the exercise price per share.

2018 Pension Benefits Table

The following table presents information about the Named Executive Officers participation in KeyCorp s defined benefit pension plans as of December 31, 2018. Named Executive Officers who have not participated in KeyCorp s defined benefit pension plans are excluded from this table.

Name	Plan Name

		Years of Credited Service (#)	Present Value of Accumulated Benefits ($)
Beth E. Mooney	Cash Balance Pension Plan	4	54,337
	Second Excess Cash Balance Pension Plan	4	104,362
Christopher M. Gorman	Cash Balance Pension Plan	18	208,217
	Second Excess Cash Balance Pension Plan	18	682,833
Andrew J. Randy Paine III	Cash Balance Pension Plan	16	208,292
	Second Excess Cash Balance Pension Plan	16	476,256

KeyCorp previously maintained both a qualified Cash Balance Pension Plan (the Pension Plan) and a nonqualified Second Excess Cash Balance Pension Plan (the Excess Plan) in which employees, including Named Executive Officers, could participate. Credited service for Pension Plan and Excess Plan purposes was frozen as of December 31, 2009. Vesting service, however, continues to accrue.

Pension Plan

Effective December 31, 2009, KeyCorp froze the Pension Plan. Benefits accrued through December 31, 2009, will continue to be credited with interest until the participant commences distribution of benefits. The Pension Plan s interest crediting rate is established annually and is based on the rate for 30-year U.S. Treasury securities. For 2018, the Pension Plan s interest crediting rate was 2.93%. For 2019, the Pension Plan s interest crediting rate is 3.04%. Participants Pension Plan distributions may be made upon the participant s retirement, termination of employment, or death. Distributions may be made in the form of a single lump sum payment, in the form of an annuity, or in a series of actuarially equivalent installments.

Excess Plan

KeyCorp established the Excess Plan effective January 1, 2005, and the Excess Plan was frozen on December 31, 2009. Benefits that accrued through December 31, 2009, continue to be credited with interest until distribution. The Excess Plan s interest crediting rate is the same as the interest crediting rate for the Pension Plan. To be eligible to receive a distribution from the Excess Plan, a participant must be age 55 or older with a minimum of five years of vesting service. Participants who are involuntarily terminated for reasons other than for cause may receive a distribution of their Excess Plan benefits provided that, at the time of termination, the participant (i) has a minimum of 25 years of vesting service with KeyCorp, and (ii) enters into an employment separation agreement (containing a full release with noncompete and nonsolicitation requirements) with us. Distributions are in the form of an annuity or actuarially equivalent installments (unless the participant s benefit is under $50,000, in which case it is distributed as a single lump sum payment).

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Compensation of Executive Officers and Directors

Ms. Mooney and Messrs. Gorman and Paine participate in both the Pension Plan and Excess Plan. Mr. Kimble and Mr. Midkiff do not participate in either of those plans.

2018 Nonqualified Deferred Compensation Table

The following table shows the nonqualified deferred compensation activity for the Named Executive Officers for 2018 under our Deferred Savings Plan. All executive contributions and KeyCorp contributions to the Deferred Savings Plan are also included in current-year compensation presented in the 2018 Summary Compensation Table on page 39 of this proxy statement.

Name	Executive Contributions in Last FY ($)(1)	KeyCorp Contributions in Last FY ($)(1)	Aggregate Earnings (Losses) in Last FY ($)(2)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)(3)
Beth E. Mooney	213,231	13,500	(309,966)		4,253,421
Donald R. Kimble	108,808	13,500	(16,700)		367,048
Christopher M. Gorman			(90,928)		6,678,590
Andrew J. Randy Paine III	115,500	13,500	(295,588)		2,313,083
Mark W. Midkiff					

(1) Executive contributions and KeyCorp contributions in the last fiscal year are reflected in the 2018 Summary Compensation Table on page 39 of this proxy statement.

(2) Aggregate earnings (losses) in the last fiscal year are not reflected in the 2018 Summary Compensation Table on page 39 of this proxy statement because the earnings (losses) were neither preferential nor above-market.

(3) The aggregate balances at the last fiscal year-end represent the total ending account balance (employee and Company balances) at December 31, 2018, for each Named Executive Officer.

Previously reported Summary Compensation Table values for executive contributions and KeyCorp contributions under rules adopted in 2006 include: Ms. Mooney executive contributions of $2,707,476, and KeyCorp contributions of $846,720; Mr. Kimble executive contributions of $207,278, and KeyCorp contributions of $41,700; Mr. Gorman executive contributions of $2,963,462, and KeyCorp contributions of $563,759; and Mr. Paine executive contributions of $224,100, and KeyCorp contributions of $27,600. Mr. Midkiff did not have previous executive contributions or KeyCorp contributions to report.

Deferred Savings Plan

KeyCorp maintains the Deferred Savings Plan (DSP). Participating employees may defer up to 50% of their base salary and up to 100% of their annual incentive awards (collectively referred to as participant deferrals) to the DSP once their compensation for the applicable plan year reaches the IRS compensation limits for the year. Prior to January 1, 2015, eligibility generally was restricted to employees based on salary grade. Effective January 1, 2015, eligibility was expanded to include employees with annual compensation exceeding IRS compensation limits for the year; however, the Compensation Committee (or its delegate) has the authority to exclude or include any employee from participating in the plan. We have provided participants with an employer match on the first 6% of participant deferrals deferred under the DSP in excess of the IRS compensation limits, not to exceed 6% of the lesser of (i) $500,000 or (ii) the participant s annual compensation, and subject to a three-year vesting requirement. However, in 2019, the matching contribution to the plan was eliminated.

Participant deferrals are invested on a bookkeeping basis in investment funds that mirror the funds offered under the 401(k) Savings Plan as well as in an interest-bearing fund. The interest-bearing fund is credited with a monthly interest rate equal to 120% of the applicable long-term federal rate as published by the Internal Revenue Service. Distributions of vested DSP benefits are made upon the employee s separation from service.

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Potential Payments Upon Termination or Change of Control

The following table describes the compensation and benefit enhancements that would be provided to the Named Executive Officers in various scenarios involving a termination of employment, other than compensation and benefits generally available to all salaried employees. The table describes our 2018 equity grant practices. To the extent relevant, prior practices are described in the footnotes.

mination Event (1)	Severance Pay	Annual Incentive (3)	Stock Options	Restricted Stock Units (5)	Performance Awards	Nonqualified Pension Benefits (6)	Nonqualifie Deferred Compensatio (7)
h	None	Forfeited unless employed on payment date	Full vesting; all expire at earlier of four years or normal expiration (4)	Full vesting and distribution on remaining vesting dates	Full vesting and distribution on remaining vesting dates (8)	Full vesting of unvested balance with five years of service	Full vesting of unvested compa contributions
bility	None	Forfeited unless employed on payment date	Full vesting; all expire at earlier of five years or normal expiration (4)	Full vesting and distribution on remaining vesting dates	Full vesting and distribution on remaining vesting dates (8)	Full vesting of unvested balance upon termination	Full vesting of unvested compa contributions
rement	None	Forfeited unless employed on payment date	Pro rata vesting, or full vesting if retire on or after age 60 with 10 years of service and after the first anniversary of the date of grant; all expire at earlier of five years or normal expiration (4)	Pro rata vesting, or full vesting if retire on or after age 60 with 10 years of service and after the first anniversary of the date of grant	Pro rata vesting (9)	Full vesting of unvested balance	Full vesting of unvested compa contributions w three years of service
ted	Up to 52 weeks	Forfeited unless	Full vesting and distribution on	Full vesting and distribution on	Full vesting and distribution on	Unvested balance	Full vesting of unvested compa

umstances	salary continuation (capped at $550,000 in 2018)	employed on payment date	remaining vesting dates; all expire at earlier of three years or normal expiration	remaining vesting dates	remaining vesting dates	forfeited unless 25 years of service	contributions
nge of trol nination	Two times sum of base salary and the target annual incentive (CEO receives a three-times benefit (2)) Payment equal to 18 months COBRA premiums	Forfeited unless employed on payment date	Full vesting; all expire at earlier of two years or normal expiration	Full vesting	Full vesting	Full vesting of unvested balance	Full vesting of unvested compa contributions Payment equal t two additional y of matching contributions ur qualified and nonqualified retirement plans

(1) For purposes of the table above and, where applicable, the following tables, we define:

Retirement to mean a Named Executive Officer s voluntary termination on or after age 55 with five years of service;

Limited Circumstances as a termination in which a Named Executive Officer becomes entitled to severance benefits under our Separation Pay Plan which generally provides all employees with benefits in the event of a loss of employment due to a reduction in staff. Although we may negotiate severance arrangements in the context of any employee s termination, we generally do not provide any Named Executive Officer with severance benefits solely upon an involuntary termination, other than in the context of a change of control. As a result, no information is included about payments or benefits in the event of an involuntary termination without cause; and
Change of Control Termination as a Named Executive Officer s involuntary termination or voluntary termination for good reason, in each case within two years following a change of control.

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Compensation of Executive Officers and Directors

(2) Select executives who had Change of Control Agreements providing for a greater than two-times benefit when we restructured these agreements in 2012 were permitted to retain the greater benefit.

(3) All employees are eligible to receive a discretionary annual incentive for the year of termination.

(4) Prior to 2013, vested stock options expired at the earlier of three years or normal expiration.

(5) Any restricted stock units attributable to annual cash incentives that were required to be deferred in accordance with our deferral requirements will vest in full on the remaining vesting dates if an employee terminates.

(6) Please see the narrative to the 2018 Pension Benefits Table for more information about our nonqualified pension plans.

(7) Please see the narrative to the 2018 Nonqualified Deferred Compensation Table for more information about our nonqualified deferred compensation plans.

(8) Prior to 2017, unvested awards pro rata vested upon death or disability.

(9) Awards granted in 2017 or later fully vest if employee s Retirement or Limited Circumstances termination occurs on or after age 60 with 10 years of service after first anniversary of grant.

2018 Post-Termination Tables

The following tables set forth the compensation that would be paid by KeyCorp to the Named Executive Officers assuming a termination of employment and/or Change of Control Termination on December 31, 2018, in the various scenarios outlined below. Except as otherwise noted below, the values reported for stock options, restricted stock units, and performance awards are based on the closing price of KeyCorp common shares on December 31, 2018, of $14.78 (less the applicable exercise price, in the case of stock options).

Beth E. Mooney

Termination Event	Severance Pay ($)	Annual Incentive ($)	Stock Options ($)	Restricted Stock Units ($)	Performance Awards ($)	Nonqualified Pension Benefits ($)	Nonqualified Deferred Compensation ($)	Totals ($)
Death			456,498	4,426,384	6,893,982			11,776,864
Disability			456,498	4,426,384	6,893,982			11,776,864
Retirement (1)			456,498	3,203,940	5,499,962			9,160,400
Limited Circumstances (2)	550,000		456,498	4,426,384	7,079,839			12,512,721
Change of Control Termination (3)	11,111,016		456,498	4,426,384	7,079,839		90,000	23,163,737

(1) Ms. Mooney is retirement eligible as she is at least age 60 with at least 10 years of service and therefore would receive full vesting treatment on unvested restricted stock units or stock option equity awards (as long as the award is more than one year outstanding). Ms. Mooney is also fully vested in all retirement and pension benefits, so there would be no accelerated value associated with a termination.

(2) In the event of a termination under limited circumstances, Ms. Mooney would be entitled to salary continuation of the maximum amount allowed under the KeyCorp Separation Pay Plan.

(3) Ms. Mooney is entitled to receive severance of three times the sum of her base salary and target annual incentive plus annual COBRA medical premiums as a result of a Change of Control Termination, as well as three additional years of deferred compensation matching contributions.

Donald R. Kimble

Termination Event	Severance Pay ($)	Annual Incentive ($)	Stock Options ($)	Restricted Stock Units ($)	Performance Awards ($)	Nonqualified Pension Benefits ($)	Nonqualified Deferred Compensation ($)	Totals ($)
Death			155,376	1,424,677	2,254,006			3,834,059

Disability			155,376	1,424,677	2,254,006			3,834,059
Retirement (1)			111,314	729,615	1,609,010			2,449,939
Limited Circumstances (2)	484,615		155,376	1,424,677	2,317,375			4,382,043
Change of Control Termination (3)	3,816,891		155,376	1,424,677	2,317,375		60,000	7,774,319

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(1) Mr. Kimble is retirement eligible and therefore would receive pro rata vesting treatment on all unvested, outstanding equity awards.

(2) In the event of a termination under limited circumstances, Mr. Kimble would be entitled to salary continuation in the amount equal to 36 weeks of base salary as defined under the KeyCorp Separation Pay Plan.

(3) Mr. Kimble is entitled to receive severance of two times the sum of his base salary and target annual incentive plus annual COBRA medical premiums as a result of a Change of Control Termination, as well as two additional years of deferred compensation matching contributions.

Christopher M. Gorman

Termination Event	Severance Pay ($)	Annual Incentive ($)	Stock Options ($)	Restricted Stock Units ($)	Performance Awards ($)	Nonqualified Pension Benefits ($)	Nonqualified Deferred Compensation ($)	Totals ($)
Death			250,228	2,362,764	3,649,948			6,262,940
Disability			250,228	2,362,764	3,649,948			