

AGL RESOURCES INC  
Form DEF 14A  
March 17, 2015  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

**AGL RESOURCES INC.**

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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(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:

(4) Proposed maximum aggregate value of transaction:

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.. Fee paid previously with preliminary materials.

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

JOHN W. SOMERHALDER II

Chairman, President and Chief Executive Officer

March 17, 2015

To Our Shareholders:

On behalf of the board of directors, I am pleased to invite you to attend AGL Resources' 2015 annual meeting of shareholders to be held on Tuesday, April 28, 2015, at our corporate headquarters at Ten Peachtree Place, Atlanta, Georgia. The meeting will start at 10:00 a.m., Eastern time. A map with directions is included in the attached proxy statement. **Please note that you will need to present an admission ticket and picture identification in order to attend the meeting in person.** Please see page 6 of the attached proxy statement for more information about attending the meeting in person. The matters to be acted upon at the meeting are described in the Notice of Annual Meeting of Shareholders and Proxy Statement. During the annual meeting of shareholders, we will discuss our efforts and achievements in 2014. We will update shareholders on our business plans for 2015. Our directors, officers and other employees will be available to answer any questions you may have.

**Your vote is very important to us. Regardless of the number of shares you own, please vote.** You may vote by telephone (using the toll-free number on your proxy or vote instruction card), internet (using the address provided on your proxy or vote instruction card), or paper proxy or vote instruction card. Please see page 2 of the attached proxy statement or your enclosed proxy or vote instruction card for more detailed information about the various options for voting your shares.

Thank you for your ongoing ownership and support. We hope to see you at our annual meeting.

Sincerely,

John W. Somerhalder II

**Table of Contents**

Ten Peachtree Place

Atlanta, Georgia 30309

**NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS**

Time and Date:	10:00 a.m., Eastern time, Tuesday, April 28, 2015
Place:	Ten Peachtree Place, Atlanta, Georgia
Items of Business:	<p>Elect fifteen directors to serve until the 2016 annual meeting;</p> <p>Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015;</p> <p>Approve a non-binding resolution to approve the compensation of our named executive officers;</p> <p>Approve an amendment to the Company's amended and restated articles of incorporation to provide holders of at least 25% of the voting power of all outstanding shares entitled to vote the right to call a special meeting of shareholders;</p> <p>Consider and act upon the shareholder proposal regarding an independent chairman policy as described in this proxy statement, if properly presented at the annual meeting;</p> <p>Consider and act upon the shareholder proposal regarding the adoption of quantitative goals for reducing greenhouse gas emissions and report on plans to achieve such goals as described in this proxy statement, if properly presented at the annual meeting; and</p> <p>Transact such other business as may properly come before the annual meeting or any adjournments.</p>
Who May Vote:	You may vote if you owned shares of our common stock at the close of business on February 17, 2015 (the record date).
Proxy Voting:	<p>Your vote is important. Please vote in one of these ways:</p> <p>use the toll-free telephone number shown on the enclosed proxy or vote instruction card;</p> <p>visit the website listed on your proxy or vote instruction card; or</p> <p>mark, sign, date and promptly return the enclosed proxy or vote instruction card in the enclosed postage-paid envelope.</p>
Proxy Statement:	A copy of our proxy statement for the annual meeting, which contains information that is relevant to the proposals to be voted on at the annual meeting, is attached.
Annual Report:	A copy of our 2014 annual report, which contains financial and other information about our business, is enclosed.
Date of Availability:	On or about March 17, 2015, we will mail to certain shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and 2014 annual report and how to vote online. All other shareholders will receive the proxy statement and annual report by mail.

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By Order of the Board of Directors,

Myra C. Bierria

*Corporate Secretary*

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>About the Annual Meeting</u>	1
<u>Corporate Governance</u>	8
<u>Board of Directors</u>	8
<u>Director Independence</u>	8
<u>Policy on Related Person Transactions</u>	8
<u>Board Leadership Structure</u>	9
<u>The Board's Role in Risk Oversight</u>	10
<u>Committees of the Board</u>	12
<u>Board and Committee Meetings</u>	16
<u>Executive Sessions without Management</u>	16
<u>Communications with Directors</u>	17
<u>Ethics and Compliance Program</u>	17
<u>Security Ownership of Certain Beneficial Owners and Management</u>	18
<u>Director Compensation</u>	21
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	24
<u>General</u>	24
<u>Audit Committee Report</u>	33
<u>PROPOSAL 2 RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2015</u>	34
<u>Compensation Committee Report</u>	36
<u>Compensation Committee Interlocks and Insider Participation</u>	36
<u>Compensation Discussion and Analysis</u>	37
<u>Executive Compensation</u>	60
<u>Compensation Paid to Named Executive Officers</u>	60
<u>Grants of Plan-Based Awards</u>	61
<u>Outstanding Equity Awards at Fiscal Year End</u>	62
<u>Option Exercises and Stock Vested</u>	64
<u>Pension Benefits</u>	64
<u>Nonqualified Deferred Compensation</u>	66
<u>Potential Payments upon Termination or Change in Control</u>	67
<u>Equity Compensation Plan Information</u>	76
<u>PROPOSAL 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	78
<u>PROPOSAL 4 APPROVAL OF AN AMENDMENT TO THE COMPANY'S AMENDED AND RESTATED ARTICLES OF INCORPORATION TO PROVIDE HOLDERS OF AT LEAST 25% OF THE VOTING POWER OF ALL OUTSTANDING SHARES ENTITLED TO VOTE THE RIGHT TO CALL A SPECIAL MEETING OF SHAREHOLDERS</u>	79
<u>PROPOSAL 5 SHAREHOLDER PROPOSAL: INDEPENDENT CHAIRMAN POLICY</u>	81
<u>PROPOSAL 6 SHAREHOLDER PROPOSAL: GOALS FOR REDUCING GREENHOUSE GAS EMISSIONS</u>	84
<u>Certain Relationships and Related Transactions</u>	87
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	88
<u>General Information</u>	89

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
SHAREHOLDER MEETING TO BE HELD ON APRIL 28, 2015:**

A copy of our combined 2014 annual report and Form 10-K for 2014 is being made  
available with this proxy statement. You may receive a stand-alone copy of our 2014

Form 10-K free of charge upon written request directed to:

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**AGL Resources Inc.**

**Attention: Investor Relations**

**P.O. Box 4569, Location 1071**

**Atlanta, Georgia 30302-4569**

**Our proxy statement and our 2014 annual report and Form 10-K may be accessed at**

*[www.proxyvote.com](http://www.proxyvote.com)*

**and our website at *[www.aglresources.com](http://www.aglresources.com)***



**Table of Contents**

**PROXY STATEMENT**

**ABOUT THE ANNUAL MEETING**

***Who is soliciting my proxy?***

The board of directors of AGL Resources is providing you these proxy materials in connection with the solicitation of proxies to be voted at our 2015 annual meeting of shareholders and at any postponement or adjournment of the annual meeting. The proxies will be voted in accordance with your instructions by John W. Somerhalder II, our chairman, president and chief executive officer; Paul R. Shlanta, our executive vice president, general counsel and chief ethics and compliance officer; and Andrew W. Evans, our executive vice president and chief financial officer, or any of them. If your shares are held in our AGL Resources Inc. Retirement Savings Plus Plan (the Retirement Savings Plus Plan or the AGL 401(k) Plan ) or Nicor Gas Thrift Plan, your proxy will be voted by Merrill Lynch Bank and Trust Co., FSB, which is the trustee for these plans. The trustee of the AGL 401(k) Plan will vote your shares in accordance with your instructions and if you fail to provide voting instructions, the trustee will vote your shares in accordance with the discretionary instructions of the Administrative Committee of the 401(k) plans. It is expected that the Administrative Committee will instruct the trustee of the AGL 401(k) Plan to vote your shares in accordance with your telephone, internet or written proxy vote, or if you do not vote, FOR all nominees listed in proposal 1, FOR proposals 2, 3 and 4, and AGAINST proposals 5 and 6, and as instructed by the Administrative Committee on any other proposals that may properly come before the meeting. The trustee of the Nicor Gas Thrift Plan will vote your shares in accordance with your instructions, and if you fail to give the trustee proper instructions, it will vote your shares in the same proportion that other participants in the plan have voted their shares.

***Why did I receive a Notice of Internet Availability of Proxy Materials (Notice) in the mail instead of a printed set of proxy materials?***

Pursuant to the rules of the Securities and Exchange Commission ( SEC ), we are permitted to furnish our proxy materials over the internet to our shareholders by delivering a Notice in the mail. We are sending the Notice to certain record and beneficial shareholders. These shareholders have the ability to access the proxy materials, including our proxy statement and annual report, at [www.proxyvote.com](http://www.proxyvote.com) or to request a printed or email set of the proxy materials. Instructions on how to access the proxy materials over the internet or to receive a printed set may be found in the Notice. Shareholders who receive a printed set of proxy materials will not receive the Notice, but may still access our proxy materials over the internet at [www.proxyvote.com](http://www.proxyvote.com).

***When will Proxy Materials be provided to shareholders?***

A Notice of Internet Availability of Proxy Materials or this Proxy Statement is first being mailed to shareholders on or about March 17, 2015.

***Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on April 28, 2015.***

***The proxy statement and annual report are available at [www.proxyvote.com](http://www.proxyvote.com)***

***What will I be voting on?***

You will be voting on:

Proposal 1 the election of 15 directors to serve until the 2016 annual meeting;

**Table of Contents**

Proposal 2 the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015;

Proposal 3 the approval of a non-binding resolution to approve the compensation of our Named Executive Officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in this proxy statement;

Proposal 4 the approval of an amendment to the Company's amended and restated articles of incorporation to provide holders of at least 25% of the voting power of all outstanding shares entitled to vote the right to call a special meeting of shareholders;

Proposal 5 the consideration of the shareholder proposal regarding an independent chairman policy as described in this proxy statement, if properly presented at the annual meeting;

Proposal 6 the consideration of the shareholder proposal regarding the adoption of quantitative goals for reducing greenhouse gas emissions and report on plans to achieve such goals as described in this proxy statement, if properly presented at the annual meeting; and

such other business as may properly come before the annual meeting or any adjournments.

***How does the board recommend I vote on the proposals?***

The board of directors recommends you vote FOR all nominees listed in proposal 1, FOR each of proposals 2, 3 and 4, and AGAINST each of proposals 5 and 6.

***How do I vote?***

Most of our shareholders have three options for submitting their votes;

By telephone,

Via the internet, or

By mail.

If your AGL Resources shares are held in your name on the records maintained by Wells Fargo Bank, N.A., our transfer agent (meaning you are a shareholder of record), please follow the instructions on your proxy card.

If your AGL Resources shares are held through a brokerage firm or bank (that is, in street name), your ability to vote by telephone or over the internet depends on the voting process of your brokerage firm or bank. Please follow the directions on your vote instruction card.

Regardless of whether your AGL Resources shares are held by you as a record shareholder or in street name, you may attend the meeting and vote your shares in person. Please note that if your shares are held in street name and you want to vote in person, you must bring evidence of your stock ownership, such as a proxy obtained from your street name nominee (particularly if you want to vote your shares at the annual meeting) or your most recent brokerage account statement (in which case you will not be able to vote your shares at the meeting), together with valid picture identification.

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Even if you plan to attend the meeting, we encourage you to vote your shares by telephone, internet or mail to simplify the voting process at the meeting.

### *How do I vote if my shares are held in one of the 401(k) plans?*

If your AGL Resources shares are held in one of the 401(k) plans, only the plan trustee can vote your plan shares even if you attend the

## **Table of Contents**

annual meeting in person. The plan trustee will vote your shares in accordance with your telephone, internet or written proxy vote. Please follow the instructions on your proxy card.

### ***May I revoke my proxy?***

Yes. You may revoke your proxy or vote instructions at any time before the annual meeting by voting again by telephone or via the internet or by timely signing and returning another proxy or vote instruction card with a later date. Additionally, if you are a shareholder of record or if you are a street name holder who has obtained a vote instruction card from your street name nominee, and you decide to attend the meeting and vote in person, you may request that any proxy or vote instruction card that you previously submitted not be used.

### ***What if I don't specify my choices when returning my proxy or vote instruction card?***

If you return a signed and dated proxy or vote instruction card without indicating your vote, your shares will be voted **FOR** all nominees listed in proposal 1, **FOR** each of proposals 2, 3 and 4, and **AGAINST** each of proposals 5 and 6 and in the discretion of the proxies on any other matter that may properly come before the meeting.

If you hold AGL Resources shares through one of our 401(k) plans and you return the proxy card but do not properly sign or date it or specify how you want your plan shares voted, it is expected that (i) in the case of the AGL 401(k) Plan, the plan trustee, upon instruction from the Administrative Committee of the AGL 401(k) Plan, will vote your plan shares **FOR** all nominees listed in proposal 1, **FOR** each of proposals 2, 3 and 4, and **AGAINST** each of proposals 5 and 6, and as instructed by the Administrative Committee on any other proposals that may properly come before the

meeting and (ii) in the case of the Nicor Gas Thrift Plan, the plan trustee will vote your plan shares in the same proportion that other participants in the plan have voted their shares.

### ***May my shares be voted if I don't submit a proxy or voting instructions?***

If your AGL Resources shares are registered in your name on the books kept by our transfer agent and you do not return a signed proxy and do not vote by telephone or via the internet or in person at the meeting, your shares will not be voted.

If your AGL Resources shares are held in street name and you do not submit any voting instructions, your brokerage firm or bank may or may not vote your shares with regard to each of the six proposals, depending on stock exchange rules. If your AGL Resources shares are held through one of the 401(k) plans and you do not return the proxy card for those plan shares and do not vote by telephone or the internet or in person, it is expected that, in the case of the AGL 401(k) Plan, the plan trustee, upon instruction from the Administrative Committee, will vote your shares **FOR** all nominees listed in proposal 1, **FOR** each of proposals 2, 3 and 4, and **AGAINST** each of proposals 5 and 6, and as instructed by the Administrative Committee on any other proposals that may properly come before the meeting. In the case of the Nicor Gas Thrift Plan, the plan trustee will vote your shares in the same proportion that other participants in the plan have voted their shares.

### ***How many shares may I vote?***

As of February 17, 2015, the record date for voting at the annual meeting, 119,792,280 shares of common stock of AGL Resources were outstanding and entitled to be voted at the annual meeting. You are entitled to one vote for each share of AGL Resources common stock you owned on the record date.

## **Table of Contents**

### ***Is there a list of shareholders entitled to notice of the annual meeting?***

A list of shareholders entitled to notice of the annual meeting will be available at the annual meeting for inspection by any shareholder. A list of shareholders will also be available for inspection by any shareholder during ordinary business hours at our principal place of business at Ten Peachtree Place, Atlanta, Georgia.

### ***How many votes must be present to hold the annual meeting?***

A majority of the 119,792,280 shares of AGL Resources common stock outstanding on the record date and eligible to be voted, must be present, either in person or represented by proxy, to conduct the annual meeting.

### ***How many votes are needed to approve each of the proposals?***

The following are the vote requirements for each of the proposals:

*Election of 15 directors:* In uncontested elections, a director must receive the vote of at least the majority of votes cast with respect to his or her election in order to be elected. Each of the 15 director nominees for whom the votes cast FOR election exceed 50% of the number of votes cast with respect to that director's election will be elected as a director.

*Ratification of the appointment of PricewaterhouseCoopers LLP:* Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm requires the votes cast FOR to exceed the votes cast AGAINST.

*Advisory Vote on Executive Compensation:* Adoption of the non-binding resolution to approve executive compensation requires the votes cast FOR to exceed the votes cast AGAINST.

*Approval of the amendment to the Company's amended and restated articles of incorporation:* Approval of the amendment to the Company's amended and restated articles of incorporation requires the affirmative vote of the majority of shares entitled to vote on the proposal.

*Shareholder Proposal regarding an Independent Chairman Policy:* Adoption of this shareholder proposal requires the votes cast FOR to exceed the votes cast AGAINST.

*Shareholder Proposal regarding Goals for Reducing Greenhouse Gas Emissions:* Adoption of this shareholder proposal requires the votes cast FOR to exceed the votes cast AGAINST.

### ***What happens if a director nominee fails to receive a majority of the votes cast in his or her election?***

As described under the caption, Proposal 1 Election of Directors General Vote Requirements for Election, our bylaws provide that a director nominee in an uncontested election must receive the affirmative vote of at least the majority of votes cast in order to be elected. If the votes cast FOR the director's election do not exceed 50% of the number of votes cast with respect to that director's election, the director must promptly tender his or her resignation to the board of directors following certification of the shareholder vote. The Nominating, Governance and Corporate Responsibility Committee must then recommend to the board of directors whether to accept or reject the tendered resignation or whether to take other action. The board must then act on the tendered resignation and publicly disclose its decision and the rationale behind the decision within 90 days after the certification of the election results.

## **Table of Contents**

### ***What if I vote against electing directors?***

In voting for the election of directors, a vote against one or more director nominees will be counted for quorum purposes. Such a vote also will be counted for purposes of determining whether a director nominee received the affirmative vote of at least the majority of votes cast in order to be elected. Please see *What happens if a director nominee fails to receive a majority of the votes cast in his or her election?* above.

### ***How will abstentions and broker non-votes be treated?***

Abstentions and broker non-votes will be treated as shares present and entitled to vote for quorum purposes. Abstentions and broker non-votes will not be treated as votes cast and consequently they will not affect the outcome of the vote on the election of directors or the determination of whether a director nominee has received the affirmative vote of the majority of votes cast (Proposal 1), the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal 2), the proposal to adopt the non-binding resolution to approve the compensation of our named executive officers (Proposal 3), or the shareholder proposals described in this proxy statement (Proposal 5 and Proposal 6). Abstentions or a failure to vote will have the same effect as a vote AGAINST the proposal to approve an amendment to the Company's amended and restated articles of incorporation (Proposal 4).

Broker non-votes occur on a matter up for vote when a broker, bank or other holder of shares you own in street name is not permitted to vote on that particular matter without instructions from you, you do not give such instructions and the broker or other nominee indicates on its proxy card, or otherwise notifies us, that it does not have authority to vote its shares on that matter.

Whether a broker has authority to vote its shares on uninstructed matters is determined by stock exchange rules.

### ***Could other matters be decided at the annual meeting?***

We do not know of any other matters that will be considered at the annual meeting. If a matter that is not listed on the proxy or vote instruction card is properly brought before the annual meeting in accordance with Section 1.2 of our bylaws, the persons named as proxies will vote in accordance with their judgment of what is in the best interest of the Company, based on the discretionary voting authority conferred on them by the proxy and vote instruction cards.

### ***Who will count the votes?***

Representatives of Broadridge Financial Solutions, Inc. will count the votes and act as inspector of elections.

### ***Where and when will I be able to find the voting results?***

We will post the voting results on our website at [www.aglresources.com](http://www.aglresources.com) within four business days after the annual meeting. You also will find the results in a Current Report on Form 8-K, which we expect to file with the SEC within four business days following the annual meeting.

### ***What does it mean if I receive more than one proxy card?***

It means that you have multiple accounts with brokerage firms, banks and/or our transfer agent. Please vote all of these shares. We recommend that you contact your broker, bank and/or our transfer agent to consolidate as many accounts as possible under the same name and address. All communications concerning accounts for shares registered in your name on the books kept by our transfer

## **Table of Contents**

agent, including address changes, name changes, inquiries to transfer shares and similar issues, may be handled by making a toll-free call to Wells Fargo Shareowner Services at (800) 468-9716.

### ***What do I need to bring with me if I want to attend the annual meeting?***

The annual meeting is open to all holders of our common stock. To attend the annual meeting, you will need to bring an admission ticket and valid picture identification. If your shares are registered in your name on the books kept by our transfer agent or your shares are held in one of the 401(k) plans, your admission ticket is part of your proxy card or may be printed from the internet when you vote online.

If your shares are held in street name by your brokerage firm or bank, you will need to bring evidence of your stock ownership, such as a proxy obtained from your street name nominee (particularly if you want to vote your shares at the annual meeting) or your most recent brokerage account statement (in which case you will not be able to vote your shares at the annual meeting), together with valid picture identification. You also may request that we send you an admission ticket. If you do not have either an admission ticket or proof that you own our common stock, together with valid picture identification, you may not be admitted to the meeting.

### ***What happens if the annual meeting is postponed or adjourned?***

Your proxy will still be valid and may be voted at a postponed or adjourned meeting, unless the board of directors fixes a new record date for the postponed or adjourned meeting, which the board is required to do if the postponement or adjournment is for more than 120 days. If the meeting is postponed or adjourned, you will still be able to change or revoke your proxy until it is voted.

### ***When are shareholder proposals for the 2016 annual meeting due?***

Our bylaws require shareholders to give us advance notice of any shareholder nominations of directors and of any other matters shareholders wish to present for action at an annual meeting of shareholders. The required notice must be given within a prescribed time frame, which is calculated by reference to the date that the proxy statement was released to shareholders in connection with our most recent annual meeting. Accordingly, with respect to our 2016 annual meeting of shareholders, our bylaws require notice to be provided to our Corporate Secretary at AGL Resources Inc., P.O. Box 4569, Location 1466, Atlanta, Georgia 30302-4569 no later than November 18, 2015. However, if the 2016 annual meeting of shareholders is held on a date more than 30 days from the date contemplated at the time of this proxy statement, our bylaws require notice to be provided to our Corporate Secretary at the address above not fewer than the later of (i) 150 days prior to the date of the 2016 annual meeting of shareholders or (ii) the date which is ten days after the date of the first public announcement or other notification to shareholders of the date of the 2016 annual meeting of shareholders.

If you are interested in submitting a proposal for inclusion in our proxy statement for the 2016 annual meeting of shareholders, you need to follow the procedures outlined in the SEC's Rule 14a-8. To be eligible for inclusion, your shareholder proposal intended for inclusion in the proxy statement for the 2016 annual meeting of shareholders must be received no later than November 18, 2015, by our Corporate Secretary at the address above.

This deadline does not apply to questions a shareholder may wish to ask at the annual meeting.

**Table of Contents**

*Who pays the costs associated with this proxy solicitation?*

AGL Resources pays the expenses of soliciting proxies. We have hired Alliance Advisors LLC to assist in the solicitation of proxies. Alliance Advisors LLC may solicit proxies in person or by telephone, facsimile or electronic transmission. We will pay Alliance Advisors

LLC approximately \$11,500 plus customary costs and expenses for these services. Additionally, proxies may be solicited on our behalf by directors, officers and employees, in person or by telephone, facsimile or electronic transmission. Directors, officers and employees will not be paid additional fees for those services.



## **Table of Contents**

### **CORPORATE GOVERNANCE**

#### **Board of Directors**

Our business affairs are managed under the direction of the board of directors in accordance with the Georgia Business Corporation Code, our amended and restated articles of incorporation and our bylaws. The role of the board of directors is to govern our affairs for the benefit of our shareholders and other constituencies, which include our employees, customers, suppliers, creditors and the communities in which we do business. The board strives to ensure the success and continuity of our business through the appointment of qualified executive management, overseen by the board.

#### **Director Independence**

Pursuant to New York Stock Exchange listing standards, our board of directors has adopted a formal set of categorical Standards for Determining Director Independence (the Standards). In accordance with these Standards, a director must be determined to have no material relationship with the Company other than as a director in order to be considered an independent director. The Standards specify the criteria by which the independence of our directors will be determined, including strict guidelines for directors and their immediate family members with respect to past employment or affiliation with the Company or its independent registered public accounting firm. The Standards also set forth independence criteria applicable to members of the Audit Committee, the Compensation Committee and the Nominating, Governance and Corporate Responsibility Committee of the board of directors. These Standards are available on our website at [www.aglresources.com](http://www.aglresources.com).

In accordance with these Standards, the board undertook in February 2015 an annual review of director independence. Based on this review, the board has affirmatively determined

that, as to each current non-employee director, no material relationship exists that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each current non-employee director qualifies as independent in accordance with the Standards and the independence standards of the New York Stock Exchange.

John W. Somerhalder II, our chairman, president and chief executive officer, is not independent because of his employment by the Company. Mr. Somerhalder will not participate in any action of the board related to his compensation or any other matters requiring action by only non-employee directors.

In making these independence determinations, the board considered that in the ordinary course of business, transactions may occur between the Company and its subsidiaries and companies at which some of our directors are or have been directors, officers or employees. The board also considered that the Company and its subsidiaries may make charitable contributions to not-for-profit organizations where our directors or their immediate family members serve or are executive officers.

#### **Policy on Related Person Transactions**

The board of directors recognizes that related person transactions present a heightened risk of conflicts of interest and, therefore, has adopted a written policy with respect to related person transactions. For the purpose of the policy, Related Persons include (a) each executive officer as defined under Section 16 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, (b) each executive and senior vice president of AGL Resources, (c) each nominee for or member of the board of directors, (d) each holder of more than 5% of our common stock,

## **Table of Contents**

or a Significant Shareholder, and (e) any immediate family member, as defined under the Exchange Act, of the persons listed in (a) through (d) above. A Related Person Transaction is a transaction between us and any Related Person, other than (1) transactions available to all employees or customers generally; (2) transactions involving less than \$120,000 when aggregated with all similar transactions since January 1, 2014; (3) transactions excluded from disclosure in paragraphs four through seven of the instructions to Item 404(a) of Regulation S-K under the Exchange Act; and (4) charitable contributions by the Company to a charitable organization with which a Related Person's only relationship is as an employee (other than an executive officer), if the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of the charitable organization's annual receipts for the preceding fiscal year.

Under the policy, when management becomes aware of a Related Person Transaction involving a dollar amount that is less than two percent of either the Company's consolidated gross revenues or the consolidated gross revenues of the Related Person, or any affiliate of such Related Person, for the prior fiscal year, management reports the transaction to the Chairman of the Nominating, Governance and Corporate Responsibility Committee. When management becomes aware of a Related Person Transaction involving a dollar amount that is equal to or exceeds two percent of either the Company's consolidated gross revenues or the consolidated gross revenues of the Related Person, or any affiliate of such Related Person, for the prior fiscal year, management reports the transaction to the Nominating, Governance and Corporate Responsibility Committee and requests approval or ratification of the transaction.

Transactions requiring approval or ratification must be approved by a majority of the disinterested members of the Nominating,

Governance and Corporate Responsibility Committee. The Chairman will report to the full Nominating, Governance and Corporate Responsibility Committee at its next regularly scheduled committee meeting any Related Person Transactions that are presented to him or her. The Nominating, Governance and Corporate Responsibility Committee will report to the full board all Related Person Transactions presented to it.

## **Board Leadership Structure**

Our Company is led by Mr. John Somerhalder, who has served as our president and chief executive officer since March 2006 and our chairman, president and chief executive officer since October 2007. In 2014, our board of directors consisted of Mr. Somerhalder and 14 independent directors. Each of the standing committees of our board of directors is chaired by an independent director and each of our Audit, Compensation and Nominating, Governance and Corporate Responsibility committees is comprised entirely of independent directors.

Under our Guidelines on Significant Corporate Governance Issues, or our Corporate Governance Guidelines, a copy of which is available on our website at [www.aglresources.com](http://www.aglresources.com), if the chairman of the board of directors is an executive officer or employee of the Company, then the board of directors shall appoint, from among the independent directors, a lead director. Mr. Arthur E. Johnson currently serves as our Lead Director.

The board of directors appoints the Lead Director for a term ending on the earlier of (a) three years from the date of appointment or (b) the last day of the individual's service on the board of directors. The Lead Director: (a) serves as chairman of the Executive Committee of the board of directors; (b) presides at the executive sessions of non-management directors; (c) collaborates with

## **Table of Contents**

our chairman, president and chief executive officer, our general counsel and our corporate secretary on setting the annual calendar and agendas for all regular meetings of the board and its standing committees; (d) maintains close contact with the chairperson of each standing committee; (e) oversees the Company's policy on communications between shareholders or other interested parties and non-management directors; and (f) in conjunction with the chairperson of the Compensation Committee, communicates the results of the annual evaluation of the chief executive officer to the chief executive officer on behalf of the board of directors.

We have determined that our current board leadership structure is appropriate and helps ensure both effective and efficient governance for the Company, for a number of reasons, the most significant of which are the following:

A combined chairman and chief executive officer role allows for more productive meetings. The chief executive officer is the individual selected by the board of directors to manage the Company on a day to day basis, and his direct involvement in the Company's operations makes him best positioned to lead productive board strategic planning sessions and determine the time allocated to each agenda item in discussions of the Company's short- and long-term objectives.

Our board structure provides strong oversight by independent directors and in addition a majority of our operations are subject to extensive regulation. In fact, our chief executive officer is the only one of our current 15 directors who is not independent. Our Lead Director's responsibilities include leading executive sessions of the board of directors during which our independent directors meet without management. These executive sessions allow the board of directors to review key decisions and discuss matters in a manner that is independent of the chief executive officer, and where necessary, critical of the chief executive officer and senior management. In addition, each of our board's standing committees is chaired by an independent director.

Recognizing there may be a circumstance where a shareholder or other interested party's interest should be represented independent of management, a key responsibility of the Lead Director is to receive, review and, where necessary, act upon direct communications from shareholders and other interested parties.

If you wish to communicate directly with (i) the board of directors generally, (ii) the presiding director of executive sessions of non-management directors (our Lead Director), or (iii) non-management directors as a group, you should contact the Company's Ethics and Compliance Helpline at (800) 350-1014 or at [www.mycompliancereport.com](http://www.mycompliancereport.com) using the access ID, AGL. Calls to the helpline and reports made via the website, if you choose, can be made anonymously.

### **The Board's Role in Risk Oversight**

The board oversees the Company's risk assessment and risk management processes. It does so in part through the committees of the board. Our Audit Committee has the responsibility to review with management the Company's (i) policies governing the process by which risk assessment and risk management are undertaken; and (ii) major financial risk exposures and the steps management has taken to monitor and control such exposures. Our Finance and Risk Management Committee has the responsibility to (i) review with management the steps taken by management to ensure compliance with the Company's risk management policies and procedures relating to interest rate risk, currency risk, credit risk, commodity risk and derivatives related to any of the foregoing; (ii) review steps taken by

**Table of Contents**

management to establish and monitor trading and risk management systems and controls at the Company's asset management and optimization businesses and to ensure compliance at such businesses with risk management policies and procedures applicable to such businesses; and (iii) review management's assessment of controls and procedures associated with such businesses' management of transactions with affiliates and any reporting obligations to state or federal regulatory authorities. Our chief risk officer provides a quarterly report to the Finance and Risk Management Committee and meets in executive sessions with the Finance and Risk Management Committee at each regularly scheduled meeting. Each of the other committees of the board of directors has principal responsibility for reviewing and discussing with management those risk exposures: (i) specified in their charters or (ii) identified from time to time by the committees themselves or by the Audit Committee.

In addition, the board authorized the formation of the Company's Risk Management Committee (RMC), a committee of certain

members of senior management. The RMC is responsible for establishing specific risk management policies and monitoring compliance with, and adherence to, the terms of these policies. Members of the RMC are members of senior management who monitor natural gas price risk positions and other types of risk, corporate exposures, credit exposures and overall results of our risk management activities. The RMC is chaired by the Company's chief risk officer, who is responsible for ensuring that appropriate reporting mechanisms exist for the RMC to perform its monitoring functions.

The Company conducts an annual enterprise risk assessment, overseen by a sub-committee of the RMC. The purpose of the assessment includes identifying and rating the management of all of the Company's significant risk exposures. The RMC uses the results of this assessment to prioritize the goals of the Company's risk management program and monitor the Company's major risks. Management reports to the board of directors any new risks identified since the previous year's assessment.

**Table of Contents****Committees of the Board**

The board of directors has established five standing committees to assist it in discharging its duties. Actions taken by any committee of the board are reported to the board, usually at the board meeting next following a committee meeting. Each standing committee has

adopted a written charter, which is available on our website at [www.aglresources.com](http://www.aglresources.com) and is available upon request to our Corporate Secretary at AGL Resources Inc., P.O. Box 4569, Location 1466, Atlanta, Georgia 30302-4569. The committees of the board and their members at December 31, 2014 are as shown in the following table.

**Members of the Board's Committees**

	<b>Audit</b>	<b>Compensation</b>	<b>Executive</b>	<b>Finance and Risk Management</b>	<b>Nominating, Governance and Corporate Responsibility</b>
Sandra N. Bane	Ö	Ö			
Thomas D. Bell, Jr.		Ö		Ö	
Norman R. Bobins	Ö	Ö			
Charles R. Crisp		Ö		Ö	
Brenda J. Gaines	Ö				Ö
Arthur E. Johnson**			Ö*	Ö	Ö
Wyck A. Knox, Jr.	Ö				Ö
Dennis M. Love	Ö		Ö		Ö*
Dean R. O Hare	Ö				Ö
Armando J. Olivera		Ö		Ö	
John E. Rau			Ö	Ö	Ö
James A. Rubright		Ö	Ö	Ö*	
John W. Somerhalder II			Ö	Ö	
Bettina M. Whyte		Ö*	Ö	Ö	
Henry C. Wolf	Ö*	Ö	Ö		

\* Denotes committee chair.

\*\* Denotes Lead Director.

*Audit Committee*

The Audit Committee met 12 times during 2014. All members of the Audit Committee are independent, non-employee directors, as defined under the listing standards of the New York Stock Exchange and our Standards. The Audit Committee's primary function is to assist the board of directors in fulfilling its oversight responsibilities. Among other things, the Audit Committee reviews (1) the integrity of our financial statements, including our internal control over financial reporting, (2) our compliance with legal and regulatory

requirements, (3) the independent registered public accounting firm's qualifications and independence, (4) the performance of our internal audit function, and (5) the performance of the independent registered public accounting firm. Our chief financial officer, chief ethics and compliance officer, chief audit executive, chief accounting officer and representatives of our independent registered public accounting firm each provide a quarterly report to and meet in separate executive sessions with the Audit Committee each quarter.



## **Table of Contents**

The board of directors has determined that all members of the Audit Committee satisfy the enhanced independence standards applicable to all members of the Audit Committee under the independence requirements of the SEC, the New York Stock Exchange and the Company's Standards for Determining Director Independence. The board also has determined that all members of the Audit Committee meet the financial literacy requirements of the New York Stock Exchange listing standards. The board has further determined that Henry C. Wolf, the Audit Committee Chair, is an audit committee financial expert within the meaning of SEC regulations. Information regarding Mr. Wolf's qualification as an audit committee financial expert is included in his biographical information under the caption, Proposal 1 Election of Directors.

Additional information regarding the Audit Committee and its functions and responsibilities is included in this proxy statement under the captions Audit Committee Report and Proposal 2 Ratification of the Appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for 2015.

### *Compensation Committee*

The Compensation Committee met six times during 2014. All members of the Compensation Committee are independent, non-employee directors, as defined under the listing standards of the New York Stock Exchange and our Standards for Determining Director Independence. Among other things, the Compensation Committee assists the board of directors in its efforts to achieve its goal of maximizing the long-term total return to shareholders by establishing policies by which officers, directors and employees are to be compensated in accordance with the board's compensation philosophy and objectives and by overseeing management succession and executive development processes.

The board of directors delegated to the Compensation Committee the following areas of responsibility that are more fully described in the Compensation Committee's charter: (1) evaluation of the chief executive officer, (2) succession and development planning for executive officers, (3) compensation of non-employee members of the board of directors, (4) compensation of the executive officers, including salary, short- and long-term incentives, and employment or severance arrangements, (5) establishment of performance objectives for executive officers under the Company's short- and long-term incentive compensation plans and determination of the attainment of such performance objectives, and (6) oversight of benefit plans and administration of long-term incentive plans.

The Compensation Committee has delegated to our chief executive officer the authority to grant equity awards to employees of the Company solely in connection with non-annual grants to employees other than executive officers. The Compensation Committee has established narrowly defined, pre-approved parameters regarding the terms and conditions of grants under the delegated authority, including the eligible employee groups, the maximum number of shares subject to the delegation, the determination of the exercise price and other terms and conditions of the awards. In January 2014, the Compensation Committee adopted a policy on granting equity compensation awards that provides additional terms and conditions for making grants. See Compensation Discussion and Analysis Other Policies Governing our Executive Compensation Program Grants of Long-Term Incentive Awards for more detail concerning our grant policy.

Our chief executive officer, based on the performance evaluations of the other executive officers, recommends to the Compensation Committee compensation for those executive officers. The executive

## **Table of Contents**

officers, including our chief executive officer, also provide recommendations to the Compensation Committee from time to time related to compensation philosophy, program design, compliance, performance measures and competitive strategy.

The Compensation Committee's charter provides that the Compensation Committee, in its sole discretion, has the authority to retain compensation consultants. Accordingly, Frederic W. Cook & Co., Inc. ( F.W. Cook ), was retained directly by the Compensation Committee to assist it in 2014. F.W. Cook's role is to provide expertise and data as needed by the Compensation Committee pertaining to all aspects of executive and director compensation, including but not limited to advice and counsel as to the amount and form of executive and director compensation, and to advise the Compensation Committee on emerging trends, best practices and regulatory practices.

The Compensation Committee evaluated the independence of F.W. Cook in light of new SEC rules and New York Stock Exchange listing standards, which require consideration of the following factors:

whether any other services are provided to the Company by the consultant;

the fees paid by the Company as a percentage of the consulting firm's total revenue;

the policies or procedures maintained by the consulting firm that are designed to prevent a conflict of interest;

any business or personal relationships between the individual consultants involved in the engagement and a member of the Compensation Committee;

any company stock owned by the individual consultants involved in the engagement; and  
any business or personal relationships between our executive officers and the consulting firm or the individual consultants involved in the engagement.

The Compensation Committee discussed these considerations and concluded that the engagement of F.W. Cook and the services provided to the Compensation Committee by F.W. Cook did not raise any conflict of interest.

### *Executive Committee*

The Executive Committee met two times during 2014. The Executive Committee may meet during intervals between board meetings and has the same authority as the full board of directors, subject to limitations imposed by law or our bylaws.

### *Finance and Risk Management Committee*

The Finance and Risk Management Committee met five times during 2014. The Finance and Risk Management Committee's primary function is to assist the board of directors in fulfilling its oversight responsibilities. Among other things, the Finance and Risk Management Committee oversees (1) the management of our balance sheet including leverage, liquidity, funding sources and related matters, (2) the annual capital budget and certain capital projects, (3) management's assessments, actions, processes and procedures concerning our exposure to risks identified in the Finance and Risk Management Committee's charter, and (4) any other matters that the board may delegate to the Finance and Risk Management Committee from time to time. Our chief risk officer provides a quarterly report to and meets in executive session with the Finance and Risk Management Committee at each regularly scheduled meeting.



## **Table of Contents**

### *Nominating, Governance and Corporate Responsibility Committee*

The Nominating, Governance and Corporate Responsibility Committee met five times during 2014. All members of the Nominating, Governance and Corporate Responsibility Committee are independent, non-employee directors, as defined under the listing standards of the New York Stock Exchange and our Standards for Determining Director Independence. The Nominating, Governance and Corporate Responsibility Committee's primary responsibilities include (1) identifying individuals qualified to serve on the board of directors and recommending director nominees for selection by the full board of directors or shareholders, (2) evaluating, formulating and recommending to the board of directors corporate governance policies, and (3) overseeing the Company's position on corporate, social and environmental responsibilities.

*Nomination of Director Candidates.* The board of directors is responsible for recommending director candidates for election by the shareholders and for electing directors to fill vacancies or newly created directorships. The board of directors has delegated the screening and evaluation process for director candidates to the Nominating, Governance and Corporate Responsibility Committee, which identifies, evaluates and recruits highly qualified director candidates and recommends them to the board of directors. Potential candidates for director may come to the attention of the Nominating, Governance and Corporate Responsibility Committee through current directors, management, professional search firms, shareholders or other persons.

If the Nominating, Governance and Corporate Responsibility Committee has either identified a prospective nominee or determined that an additional or replacement director is required, the Nominating, Governance and Corporate Responsibility Committee may take such measures that it considers appropriate in

connection with its evaluation of a director candidate, including candidate interviews, engagement of an outside firm to gather additional information and inquiry of persons with knowledge of the candidate's qualifications and character. In its evaluation of director candidates, including the members of the board of directors eligible for reelection, the Nominating, Governance and Corporate Responsibility Committee considers the current size and composition of the board of directors and the needs of the board of directors and the respective committees of the board in view of the criteria for directors described in our Corporate Governance Guidelines, a copy of which is available on our website at [www.aglresources.com](http://www.aglresources.com).

The Nominating, Governance and Corporate Responsibility Committee will consider director nominees proposed by shareholders. A shareholder may recommend a person for nomination for election to our board of directors by writing to our Corporate Secretary at AGL Resources Inc., P.O. Box 4569, Location 1466, Atlanta, Georgia 30302-4569. Pursuant to our Corporate Governance Guidelines, each submission must include:

A brief biographical description of the candidate, including background and experience;

The candidate's name, age, business address, and residence address;

The candidate's principal occupation;

The following information about the shareholder making the recommendation:

the name and record address of such shareholder;

the number of shares of our common stock owned beneficially or of record by such shareholder;

a description of all arrangements or undertakings between such shareholder and each proposed



## **Table of Contents**

nominee and any other person or persons (including their names) pursuant to which the nominations are to be made by such shareholder; and

The written consent of the candidate to being named as a nominee and to serve as a director if elected.

A shareholder's recommendation for a candidate for nomination to be elected at the next annual meeting of shareholders must be received by our Corporate Secretary no later than 45 days prior to the end of the year preceding such annual meeting of shareholders. The Nominating, Governance and Corporate Responsibility Committee will evaluate these recommendations in the same manner as it evaluates all other nominees, using the criteria described in our Corporate Governance Guidelines.

The Nominating, Governance and Corporate Responsibility Committee periodically engages a third party search firm to identify possible director candidates for the Nominating, Governance and Corporate Responsibility Committee's consideration based on skills and characteristics identified by the Nominating, Governance and Corporate Responsibility Committee and in light of gaps in board composition that the Nominating, Governance and Corporate Responsibility Committee may identify from time to time as the issues facing the board evolve. Such skills and characteristics desirable in the context of the then current make-up of the board of directors may include diversity, age, business or professional background, financial literacy and expertise, availability, commitment, independence and other relevant criteria.

*Practices for Considering Diversity.* The charter of the Nominating, Governance and Corporate Responsibility Committee provides that it shall review, at least annually, the appropriate skills and characteristics of members of the board of directors in the

context of the then current make-up of the board. This assessment includes the following factors: geographic representation (representative of our service territories); diversity of professional skills and experience; diversity of age, gender and race; energy industry experience; community relations within our service territories; and other criteria that the Nominating, Governance and Corporate Responsibility Committee or the full board determines to be relevant. It is the practice of the Nominating, Governance and Corporate Responsibility Committee to consider these factors when screening and evaluating candidates for nomination to the board of directors.

## **Board and Committee Meetings**

Members of the board are kept informed through reports routinely presented at board and committee meetings by our chief executive officer and other company leaders and through other means. During 2014, the board of directors held eight meetings. Each director attended 75% or more of the aggregate of all meetings of the board and each committee on which he or she served.

## **Executive Sessions without Management**

To promote open discussion among the non-management directors, the board of directors schedules regular executive sessions in which the non-management directors meet without management's participation. Such sessions are scheduled to occur at every regularly scheduled board meeting. The presiding director at such executive sessions is the Lead Director and Chairman of the Executive Committee of the board of directors. During 2014, the board met in executive session five times.

## **Table of Contents**

### **Communications with Directors**

Shareholders and other interested parties may communicate with our board of directors or, alternatively, with the presiding director of executive sessions of our non-management directors or with the non-management directors as a group via our Ethics and Compliance Helpline at (800) 350-1014 or at [www.mycompliancereport.com](http://www.mycompliancereport.com). A copy of our Procedures for Communicating with the Board of Directors of AGL Resources Inc. is available on our website at [www.aglresources.com](http://www.aglresources.com) and is available in print to any shareholder who requests it from our Corporate Secretary at AGL Resources Inc., P.O. Box 4569, Location 1466, Atlanta, Georgia 30302-4569.

### **Ethics and Compliance Program**

The board of directors is responsible for overseeing management's implementation of the Company's ethics and compliance program to ensure that our business is conducted in a consistently legal and ethical manner. As part of the ethics and compliance program, our Company has established, and the board of directors has approved, our Code of Conduct and Ethics. Our Code of Conduct and Ethics governs the way we treat our customers and co-workers, guides our community interactions, and strengthens our commitment to excellence and integrity. The Code of Conduct and Ethics covers a wide range of professional conduct, including environmental, health and safety standards, employment policies, conflicts of interest, accuracy of records, fair dealing, insider trading and strict adherence to all laws and regulations applicable to the conduct of our business. Under the Code of Conduct and Ethics, employees are required to conduct the Company's activities in an ethical and lawful manner and all employees are expected to report any situation where they believe our internal policies or external laws are being violated. Our Code of Conduct and Ethics applies to our directors, officers and all of our employees.

In addition, the board of directors has adopted a Code of Ethics for the Chief Executive Officer and the Senior Financial Officers, or our Officers Code of Ethics, designed to deter wrongdoing and promote the following: honest and ethical conduct; full, fair, accurate, timely and understandable disclosure in documents filed with or submitted to the SEC; compliance with applicable governmental laws, rules and regulations; prompt internal reporting of violations of the Officers Code of Ethics; and accountability for adherence to the Officers Code of Ethics.

Any waiver of the Code of Conduct and Ethics or Officers Code of Ethics for an executive officer or, where applicable, for a member of the board of directors, requires the approval of the board of directors or a duly authorized committee of the board and will be promptly disclosed on our website at [www.aglresources.com](http://www.aglresources.com). No waivers have been granted under the codes.

The board of directors also has adopted Guidelines on Significant Corporate Governance Issues, or our Corporate Governance Guidelines, that set forth guidelines for the operation of the board of directors and its committees. The board periodically reviews our governance practices and procedures, evaluating them against corporate governance best practices.

Our Code of Conduct and Ethics, our Officers Code of Ethics and our Corporate Governance Guidelines are available on our website at [www.aglresources.com](http://www.aglresources.com). They also are available to any shareholder upon request to our Corporate Secretary at AGL Resources Inc. at P.O. Box 4569, Location 1466, Atlanta, Georgia 30302-4569.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****Directors and Executive Officers**

The following table presents the number of shares of AGL Resources common stock beneficially owned by each director, each named executive officer and by all executive officers and directors as a group as of December 31, 2014, based on information furnished by them to us. Our named executive officers are those individuals named in the Summary Compensation Table under the caption Executive Compensation.

Beneficial ownership as reported in the table below has been determined in accordance with SEC regulations and includes shares of common stock which may be acquired within

60 days after December 31, 2014, upon the exercise of outstanding stock options but excludes shares and share equivalents held under deferral plans which are disclosed in a separate column. Unless otherwise indicated, all directors and executive officers have sole voting and investment power with respect to the shares shown. As of December 31, 2014, no individual director or named executive officer beneficially owned 1% or more of our common stock. Our executive officers and directors as a group beneficially owned approximately 1% of our common stock.

Name	Shares of Common Stock Beneficially Owned		Shares and Share Equivalents Held Under Deferral Plans(2)	Total
	Owned Shares	Option Shares(1)		
Sandra N. Bane	3,410	0	14,621	18,031
Thomas D. Bell, Jr.	30,465	0	0	30,465
Norman R. Bobins(3)	10,494	0	0	10,494
Charles R. Crisp	14,668	0	14,056	28,724
Brenda J. Gaines	10,082	0	0	10,082
Arthur E. Johnson	4,338	0	48,161	52,499
Wyck A. Knox, Jr.	12,122	0	46,400	58,522
Dennis M. Love	36,600	0	40,630	77,230
Dean R. O Hare	20,501	0	897	21,398
Armando J. Olivera	1,875	0	11,889	13,764
John E. Rau(4)	20,840	0	0	20,840
James A. Rubright	19,469	0	25,272	44,741
John W. Somerhalder II(5)	143,909	384,400	45,218	573,527
Bettina M. Whyte	14,506	0	17,991	32,497
Henry C. Wolf	30,863	0	12,823	43,686
Andrew W. Evans	66,738	0	0	66,738
Henry P. Linginfelter	78,901	0	43	78,944
Paul R. Shlanta	32,391	20,540	0	52,931
Peter I. Tumminello	39,471	12,870	0	52,341
All executive officers and directors as a group (20 persons)(6)	626,071	417,810	278,001	1,321,882

**Table of Contents**

- (1) Reflects the shares that may be acquired upon exercise of stock options granted under the AGL Resources Inc. Omnibus Performance Incentive Plan, as Amended and Restated (which we refer to as the OPIP), the Long-Term Incentive Plan (1999) (which we refer to as the Long-Term Incentive Plan) and which was the predecessor plan to the OPIP, or under the Officer Incentive Plan.
- (2) Represents shares of common stock, common stock equivalents and accrued dividend credits held for non-employee directors under the 1998 Common Stock Equivalent Plan for Non-Employee Directors, which we refer to as the Common Stock Equivalent Plan, and, for the named executive officers, under the Nonqualified Savings Plan. The common stock equivalents track the performance of AGL Resources common stock and are payable in cash. The shares and share equivalents may not be voted or transferred by the participants.
- (3) Includes 502 shares held in a trust for which Mr. Bobins has sole voting and investment power with respect to the shares.
- (4) Includes 4,610 shares held in a trust for which Mr. Rau has sole voting and investment power with respect to the shares.
- (5) Includes 69,711 shares held in a trust for which Mr. Somerhalder has sole voting and investment power with respect to the shares.
- (6) Includes 34,428 shares for which a member of the group who is not a named executive officer has shared voting and investment power.

**Owners of More Than 5% of AGL Resources Common Stock**

We are aware of the following shareholders who beneficially own more than 5% of AGL Resources common stock.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Class
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street New York, NY 10022	9,515,698(1)	8.0%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	9,551,741(2)	8.0%

- (1) Based on the Schedule 13G/A filed with the SEC on January 23, 2015, in which BlackRock, Inc. reported that it holds all of its shares as a parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G) of the Exchange Act and has sole voting power with respect to 8,714,732 of its shares and sole dispositive power with respect to all of its shares.

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- (2) Based on the Schedule 13G/A filed with the SEC on February 11, 2015, in which The Vanguard Group, Inc. ( Vanguard ) reported that it holds all of its shares as an investment advisor in accordance with Rule 13d-1(b)(1)(ii)(E) of the Exchange Act and has sole voting power of 177,858 of the total shares, sole dispositive power of 9,392,033 of the total shares and shared dispositive power of 159,708 of the total shares.

**Table of Contents**

Based on the Schedule 13G/A, (i) Vanguard Fiduciary Trust Company ( VFTC ), a wholly-owned subsidiary of Vanguard, is the beneficial owner of 159,708 shares or 0.13% of the common stock outstanding of the Company as a result of its serving as investment manager of collective trust accounts, and as such, VFTC directs the voting of these 159,708 shares; and (ii) Vanguard Investments Australia, Ltd. ( VIA ), a wholly-owned subsidiary of Vanguard, is the beneficial owner of 18,150 shares or 0.01% of the common stock outstanding of the Company as a result of its serving as investment manager of Australian investment offerings, and as such, VIA directs the voting of these 18,150 shares.



**Table of Contents**

**DIRECTOR COMPENSATION**

**General**

A director who is an employee of the Company receives no additional compensation for his or her services as a director. A director who is not an employee (a non-employee director) receives compensation for his or her services as described in the following paragraphs. All directors are reimbursed for reasonable expenses incurred in connection with attendance at board and committee meetings.

**Annual Retainer**

Each non-employee director receives an annual retainer for service as a director on the first day of each annual service term. The amount and form of the annual retainer are fixed from time to time by resolution of the board. For 2014, the annual retainer was \$190,000, of which \$95,000, or the Cash Portion, was payable in cash and \$95,000, or the Equity Portion, was payable in shares of our common stock on the first day of the annual service term. Alternatively, a director may choose to receive his or her entire retainer (including the Cash Portion) in shares of our common stock, or to defer the retainer under the Common Stock Equivalent Plan.

Amounts deferred under the Common Stock Equivalent Plan are invested in common stock equivalents that track the performance of our common stock and are credited with equivalents to dividend payments that are made on our common stock. Common stock equivalents may not be voted or transferred. At the end of a participating non-employee director's board service, he or she receives a cash distribution based on the then-current market value of his or her common stock equivalents and dividend equivalents.

Non-employee directors do not receive additional compensation for attending board or committee meetings.

**Committee Chair and Lead Director Retainer**

Committee chairs receive an additional annual retainer on the first day of each annual service term. For 2014, the additional annual retainer for each committee chair was \$15,000 and the additional annual retainer for the Lead Director was \$25,000. The committee chair and Lead Director retainers were payable, at the election of each director, in cash or shares of our common stock, or they were deferred under the Common Stock Equivalent Plan.

**Table of Contents****2014 Non-Employee Director Compensation Paid**

The following table summarizes compensation earned and paid to or deferred by each non-employee director for service as a director during 2014.

**2014 Non-Employee Director Compensation**

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)(1)(2)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Sandra N. Bane	95,000	95,000		190,000
Thomas D. Bell, Jr.	95,000	95,028		190,028
Norman R. Bobins	95,000	95,028		190,028
Charles R. Crisp	95,000	95,028		190,028
Brenda J. Gaines	95,000	95,028		190,028
Arthur E. Johnson	135,000	95,000		230,000
Wyck A. Knox, Jr.	95,000	95,000		190,000
Dennis M. Love	0	205,015		205,015
Charles H. McTier	220,979	0		220,979
Dean R. O Hare	95,000	95,028		190,028
Armando J. Olivera	71,250	95,000		166,250
John E. Rau	0	190,003		190,003
James A. Rubright	110,000	95,028		205,028
Bettina M. Whyte	90,000	115,000		205,000
Henry C. Wolf	5,000	200,015		205,015

- (1) The following table presents the grant date fair value for each stock award, which includes shares of our common stock and common stock equivalents, made to each non-employee director during 2014.

<b>Name</b>	<b>Type of Stock Award</b>	<b>Total Grant Date Fair Value (\$)</b>
Sandra N. Bane	Common Stock Equivalent	95,000
Thomas D. Bell, Jr.	Common Stock	95,028
Norman R. Bobins	Common Stock	95,028
Charles R. Crisp	Common Stock	95,028
Brenda J. Gaines	Common Stock	95,028
Arthur E. Johnson	Common Stock Equivalent	95,000
Wyck A. Knox, Jr.	Common Stock Equivalent	95,000
Dennis M. Love	Common Stock	200,015
Charles H. McTier	N/A	0