Ally Financial Inc.
Form DEF 14A
April 08, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.)
Filed by the Registrant þ Filed by a Party other than the Registrant o
Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- þ Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

Ally Financial Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
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- þ No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
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NOTICE OF ANNUAL MEETING

To the Stockholders of Ally Financial Inc.:

The Annual Meeting of Stockholders of ALLY FINANCIAL INC. (the "Company") will be held at the Renaissance Conference Center, Renaissance Center Tower 300, Level 2, Detroit, Michigan 48243, on May 28, 2015, at 9:00 a.m., Eastern Daylight Time, for the following purposes:

1. Election of Directors;
2. Advisory vote on executive compensation;
3. Advisory vote to approve the frequency of a stockholder advisory vote on executive compensation;
4. Ratification of the action of the Audit Committee of the Board of Directors in appointing Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2015;
5. Ratification of the protective amendment to the Company's Amended and Restated Certificate of Incorporation and the Company's existing Tax Asset Protection Plan; and
6. Such other business as may properly come before the meeting.

Only stockholders of record at the close of business on April 2, 2015, the record date fixed by the Board of Directors of the Company, will be entitled to notice of and to vote at the meeting or any adjournment thereof. A list of all stockholders entitled to vote is on file at the office of the Company, 200 Renaissance Center, Detroit, Michigan 48265.

We use the internet as our primary means of furnishing proxy materials to our stockholders, including this proxy statement, a proxy card and our 2014 annual report. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a notice with instructions for accessing the proxy materials and voting via the internet. The notice also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. Internet transmission and voting are designed to be efficient, minimize cost and conserve natural resources.

If you wish to attend the meeting in person, you will need to request an admission ticket in advance. You can request a ticket by following the instructions set forth on page 1 of the proxy statement.

You may vote your shares by signing and returning the enclosed proxy card or by telephone or internet as explained on the card.

Cathy L. Quenneville
Corporate Secretary
Detroit, Michigan
April 8, 2015

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PROXY STATEMENT

April 8, 2015

SOLICITATION

The solicitation of the enclosed proxy is made on behalf of the Board of Directors of Ally Financial Inc. (the "Board") for use at the Annual Meeting of Stockholders to be held on May 28, 2015. It is expected that this Proxy Statement and related materials will first be mailed to stockholders on or about April 8, 2015.

The complete mailing address of the Company's principal executive office is 200 Renaissance Center, P.O. Box 200, Detroit, Michigan 48265-2000.

References in this Proxy Statement to "we," "us," "our," "the Company" and "Ally" refer to Ally Financial Inc. and its consolidated subsidiaries.

MEETING ADMISSION

If you wish to attend the Annual Meeting, you must be a stockholder on the record date and request an admission ticket in advance by visiting www.proxyvote.com and following the instructions provided (you will need the 12-digit number included on your proxy card). Tickets will be issued to registered and beneficial owners. Requests for admission tickets will be processed in the order in which they are received and must be requested no later than May 25, 2015. On the day of the meeting, each stockholder will be required to present valid picture identification, such as a driver's license or passport, with his or her admission ticket.

VOTING PROCEDURES

Directors shall be elected by a plurality of the votes cast by the shares present in person or represented by proxy at the Annual Meeting, which means that the director nominee with the most affirmative votes for a particular slot shall be elected for that slot. With respect to the advisory vote to approve the frequency of a stockholder advisory vote on executive compensation, the option of "one year," "two years," or "three years" that receives the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote will be deemed to win this non-binding advisory vote. The Board intends to adopt the option that receives the most votes. For all other matters presented at the meeting, the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required for approval.

Your proxy will be voted at the meeting, unless you (i) revoke it at any time before the vote by filing a revocation with the Corporate Secretary of the Company, (ii) duly execute a proxy card bearing a later date, or (iii) appear at the meeting and vote in person. Proxies returned to the Company, votes cast other than in person and written revocations will be disqualified if received after commencement of the meeting. If you elect to vote your proxy by telephone or internet as described in the telephone/internet voting instructions on your proxy card, the Company will vote your shares as you direct. Your telephone/internet vote authorizes the named proxies to vote your shares in the same manner as if you had marked, signed and returned your proxy card.

Votes cast by proxy or in person at the meeting will be counted by the person(s) appointed by the Company to act as inspector(s) of election for the meeting. The inspector(s) of election will treat shares represented by proxies that reflect abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum. In the election of directors, abstentions do not constitute a vote "for" or "against" any nominee and thus will be disregarded in the calculation of votes cast. In the advisory vote to approve the frequency of a stockholder advisory vote on executive compensation, abstentions do not constitute a vote for the option of "one year," "two years," or "three years" and thus will have no effect on the outcome of the vote. For all other matters presented at the meeting, abstentions are counted as shares present or represented and voting and have the effect of a vote "against."

The inspector(s) of election will treat shares referred to as "broker non-votes" (i.e., shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote and that the broker or nominee does not have discretionary power to vote on a non-routine matter) as shares that are present and entitled to vote on routine matters and for purposes of determining the presence of a quorum. The proposal to ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the current fiscal year is a routine matter. However, for purposes of determining the outcome of any non-routine matter as to which the broker does not have discretionary authority to vote, those shares will be treated as not present and not entitled to vote with respect to that matter. Notably, the election of directors, the advisory vote on executive compensation, the advisory vote to approve the frequency of a stockholder advisory vote on executive compensation and the ratification of the protective amendment to the Company's Amended and Restated Certificate of Incorporation and the Company's existing Tax Asset Protection Plan are non-routine matters.

Unless specification to "withhold" with respect to any director is made, the shares represented by the enclosed proxy will be voted FOR all the nominees for director. Unless specification is made to the contrary, the shares represented by the enclosed proxy will be voted FOR the approval of the compensation of the Named Executive Officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission (the "SEC"), for ONE YEAR as the frequency of a stockholder advisory vote on executive compensation, FOR ratification of the action of the Audit Committee of the Board in appointing Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2015 and FOR ratification of the protective amendment to the Company's Amended and Restated Certificate of Incorporation and the Company's existing Tax Asset Protection Plan.

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VOTING SECURITIES

On April 2, 2015, the record date for the meeting, the Company had 481,504,946 shares of Common Stock outstanding, all of one class and each share having one vote with respect to all matters to be voted on at the meeting. No shares of treasury stock are outstanding as of the record date for the meeting. Information as to Common Stock ownership of certain beneficial owners and management is set forth in the tables on pages 7 and 8 ("Security Ownership of Certain Beneficial Owners" and "Security Ownership of Directors and Executive Officers").

PROPOSAL 1 — ELECTION OF DIRECTORS

The Board recognizes that it is important for the Company's directors to possess a diverse array of backgrounds and skills, whether in terms of education, business acumen, accounting and financial expertise, risk management experience, or experience with other organizations. When considering new candidates, the Compensation, Nominating & Governance Committee (the "CNG Committee") takes into account these factors as well as other appropriate characteristics, such as independence, ability and willingness to devote requisite time, personal and professional integrity, honesty, ethics and values, and overall fit with the current mix of director skills and personal and professional attributes. In addition, although it does not have a formal policy with respect to diversity, the CNG Committee considers differences among directors, including what the candidate's skills and background contribute to the Board's ability to perform its oversight function effectively.

The shares represented by proxies will be voted in favor of the election of each of the ten nominees for director whose names are set forth below unless such proxy is specifically marked to "withhold" authority to vote for a particular nominee. Pursuant to the Board's Governance Guidelines, directors may serve on the Board until their 75th birthday, unless the Board waives this limitation.

If for any reason any of the nominees set forth below is not a candidate when the election occurs, the shares represented by proxies will be voted for the election of the other nominees named and may be voted by the holders of the proxies for any substituted nominees or the Board may reduce its size. However, management of the Company does not expect this to occur. Other than Kenneth J. Bacon and Jeffrey J. Brown, all nominees were elected at the last Annual Meeting of Stockholders on July 17, 2014.

The Board affirmatively determined in its business judgment that each of Mr. Hobbs, Mr. Blakely, Ms. Clark, Mr. Feinberg, Mr. Fennebresque, Ms. Magner, Mr. Pendo, Mr. Stack and Mr. Bacon is independent as defined in the New York Stock Exchange ("NYSE") listing standards and applicable SEC rules and that any relationship with the Company is not material under the independence thresholds contained in the NYSE listing standards and applicable SEC rules. The Board has determined that Mr. Brown, Chief Executive Officer of the Company, is not independent as defined in the NYSE listing standards and applicable SEC rules due to his position as an executive officer of the Company.

Franklin W. Hobbs, Chairman of the Board, serves as presiding director at meetings of independent directors held without the presence of Company management.

The Company's Board of Directors Governance Guidelines provide that stockholders and other third parties may send communications to the Board, the Chairman of the Board, any individual director, the independent directors as a group or any committee of the Board, by sending correspondence to Ally Financial Inc., c/o Corporate Secretary, 200 Renaissance Center, Mail Code 482-B09-C24, Detroit, Michigan 48265. All such communications will be kept confidential and relayed to the specified director(s). Items that are unrelated to a director's duties and responsibilities as a member of the Board, such as junk mail, may be excluded by the Corporate Secretary.

The names of the nominees and certain information as to them, are as follows:

DIRECTOR NOMINEES

	Biography and expertise
Franklin W. Hobbs Age: 67	Director of Ally since May 2009. Mr. Hobbs currently serves as Chairman of the Board. Since 2004, he has been an advisor to One Equity Partners LLC, which manages investments and commitments for JPMorgan Chase & Co. in direct private equity transactions. He was previously the CEO of Houlihan Lokey Howard & Zukin. In that role, he oversaw all operations, which included advisory services for mid-market companies involved in mergers and acquisitions and corporate restructurings. He previously was Chairman of UBS AG's Warburg Dillon, Read Inc. unit. Prior to that, he was President and CEO of Dillon, Read & Co.

Inc. Hobbs earned his bachelor's degree from Harvard College and master's degree in business administration from Harvard Business School. He serves as a director on the boards of BAWAG P.S.K., Lord Abbett & Company, and Molson Coors Brewing Company.

Mr. Hobbs is nominated to be a director because he brings extensive business experience in: leading large, heavily regulated, complex organizations; strategic planning; risk management; and serving on a public company board, through his prior professional positions and service on other boards and board committees.

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Robert T. Blakely Age: 73	Director of Ally since May 2009. Previously, Mr. Blakely was a trustee of the Financial Accounting Foundation, the oversight board for the Financial Accounting Standards Board. Mr. Blakely is the former Executive Vice President and Chief Financial Officer of Fannie Mae. In this role, he led the financial restatement and implementation of Sarbanes-Oxley controls. He was previously the Chief Financial Officer of WorldCom/MCI, Lyondell Chemical, Tenneco, and US Synthetic Fuels Corporation where he gained valuable experience dealing with accounting principles and financial reporting rules and regulations, evaluating financial results, and generally overseeing the financial reporting processes of large corporations. Mr. Blakely is a member of the boards of directors of Greenhill & Co., Inc., Natural Resource Partners L.P. and Westlake Chemical Corporation, and he is a director of Baylor St. Luke's Medical Center, and a trustee of the Episcopal Health Foundation. Mr. Blakely received his PhD from the Massachusetts Institute of Technology and his master's and bachelor's degrees from Cornell University. Mr. Blakely is nominated to be a director because he brings extensive business experience in: financial accounting; audit and financial reporting matters; strategic planning; and risk management, through his prior professional positions and service on other boards and board committees.
Mayree C. Clark Age: 58	Director of Ally since May 2009. Ms. Clark is the founding partner of Eachwin Capital, an investment management firm. Previously, she was a partner and member of the executive committee of AEA Holdings and held a variety of executive positions at Morgan Stanley over a span of 24 years, serving as Global Research Director, Director of Global Private Wealth Management, deputy to the chairman, president and CEO, and non-executive Chairman of MSCI. She also served as a director of Morgan Stanley DW Inc., the firm's registered broker-dealer for its retail activities. Ms. Clark serves on the board of the Stanford Management Company (which is responsible for the University's endowment) and is a member of the Council on Foreign Relations, the New York Women's Forum, Women Moving Millions, and the Circle Financial Group. Ms. Clark is nominated to be a director because she brings extensive business experience: as an executive of a major public financial services company, as well as specific experience in investment banking and capital markets; asset management; strategic planning; and risk management, through her prior professional positions and service on other boards and professional organizations.
Stephen A. Feinberg Age: 54	Director of Ally since March 2009. Mr. Feinberg co-founded Cerberus Capital Management in November 1992. Mr. Feinberg began his career at Drexel Burnham Lambert, where he was actively involved in trading large pools of firm capital. From 1985 to 1992, after leaving Drexel Burnham Lambert, he managed money in separate accounts, most of which was firm capital of Gruntal & Co., Inc. Mr. Feinberg is a 1982 graduate of Princeton University. Mr. Feinberg is nominated to be a director because he brings extensive business experience in: distressed investing, including investments in the financial services industry; serving as a control party in connection with investments in numerous financial institutions, including various lending institutions; strategic planning; capital markets activity; and risk management.
Kim S. Fennebresque Age: 64	Director of Ally since May 2009. Mr. Fennebresque served as chairman, president, and chief executive officer of Cowen Group, Inc., where he oversaw all aspects of the management and operations of the company. Prior to joining Cowen Group, Mr. Fennebresque held positions as head of the Corporate Finance and Mergers & Acquisitions departments at UBS, general partner and co-head of Investment Banking at Lazard Frères & Co., and various positions at The First Boston Corporation. Mr. Fennebresque is a graduate of Trinity College and Vanderbilt Law School. He currently serves on the board of BlueLinx, Inc., and formerly served on the boards of TEAK Fellowship, Fountain House and Common Good.

	Mr. Fennebresque is nominated to be a director because of his extensive business experience in: investment banking; the management of a publicly traded company; and deep and broad exposure to compensation, legal, accounting and regulatory issues faced by large, complex, heavily regulated institutions.
Marjorie Magner Age: 65	Director of Ally since May 2010. Ms. Magner is a founding member and partner of Brysam Global Partners, a specialized private equity firm that invests in financial services. Previously, she served as Chairman and Chief Executive Officer of the Global Consumer Group at Citigroup. In this position, she was responsible for the company's operations, serving consumers through retail banking, credit cards and consumer finance. She earned a bachelor's degree in psychology from Brooklyn College and a master's degree from Krannert School of Management, Purdue University. Ms. Magner also serves on the boards of Accenture Ltd., Gannett Company, Inc. and the Brooklyn College Foundation. She is a member of the Dean's Advisory Council for the Krannert School of Management. Ms. Magner is nominated as a director because she brings extensive business experience in: the financial services industry; leading a large, complex, heavily regulated business; strategic planning; and risk management, through her prior professional positions and current service on other boards.

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Mathew Pendo
Age: 51

Director of Ally since April 2013. Mr. Pendo is a senior member of the investment banking division at Sandler O'Neill + Partners, L.P. based in New York. He is the former Chief Investment Officer of the Troubled Asset Relief Program ("TARP") of the United States Department of the Treasury ("Treasury"). Prior to his two-year tenure with Treasury, he spent seven years as a managing director in investment banking at Barclays Capital, including roles as co-head of U.S. investment banking and co-head of global industrials. Prior to Barclays, he spent 18 years at Merrill Lynch in investment banking in New York, Los Angeles and Palo Alto working with companies in the financial services and technology industries. Mr. Pendo currently serves on the boards of directors for the New Canaan Country School and SuperValu, and previously served on the board of directors for the Collegiate Charter Schools of Brooklyn. He graduated cum laude from Princeton University in 1985 with a degree in economics.

Mr. Pendo is nominated to be a director because he brings extensive business experience in: investment banking; asset management; financial reporting; strategic planning; and risk management, through his prior and current professional positions and service on another board.

John J. Stack
Age: 68

Director of Ally since July 2014. Mr. Stack previously served on the Ally Board and its Audit and Risk and Compliance Committees from April 2010 until April 2013 and currently serves on the board of directors of Ally Bank. Mr. Stack served as chairman and chief executive officer of Ceska Sporitelna, A.S., the largest bank in the Czech Republic, from 2000 to 2007. Prior to that, he spent 22 years in retail banking in various roles at Chemical Bank and then later at Chase Bank. Mr. Stack began his career in government working in staff roles in the New York City Mayor's Office and then the New York City Courts System. He earned a bachelor's degree from Iona College and a master's degree from Harvard Graduate School of Business Administration. Mr. Stack also serves on the boards of Ceska Sporitelna, A.S. (Chairman of the Board; Prague, Czech Republic), Erste Group Bank (Vienna, Austria) and Mutual of America Capital Management (New York).

Mr. Stack is nominated to be a director because he brings extensive business experience in: the financial services industry; leading large, complex, heavily regulated institutions; strategic planning; and risk management, through his prior professional positions and current service on other boards.

Kenneth J. Bacon
Age: 60

Director of Ally since February 2015. Mr. Bacon is the co-founder and a partner of RailField Realty Partners, a real estate asset management and private equity firm based in Bethesda, Md. Prior to this, he held a number of leadership positions at Fannie Mae, most recently as the executive vice president of the multifamily mortgage business. He retired from Fannie Mae in 2012 following a 19-year career. Bacon also held executive positions at Resolution Trust Corporation, Morgan Stanley & Company, Inc., and Kidder Peabody & Co. He currently serves on the boards of Comcast Corporation, Forest City Enterprises, Inc. and Bentall Kennedy L.P. Mr. Bacon earned a bachelor's degree from Stanford University, a master's degree in international relations from the London School of Economics and a master's degree from Harvard Business School.

Mr. Bacon is nominated to be a director because he brings extensive business experience in: the financial services industry; leading large, complex, heavily regulated institutions; strategic planning; and risk management, through his prior professional positions and current service on other boards.

Jeffrey J. Brown
Age: 42

Chief Executive Officer of Ally since February 2015 and a member of the Board since February 2015. Mr. Brown oversees all Ally strategy and operations to focus on strengthening the core businesses, while positioning the Company for long-term growth. Prior to being named Chief Executive Officer, Mr. Brown was president and chief executive officer of Ally's Dealer Financial Services business since March 2014. In this role, he oversaw the Company's automotive finance, insurance and auto servicing operations. From June 2011 to March 2014, Mr. Brown served as senior executive vice president of Finance and Corporate Planning. In that role, Mr. Brown oversaw the finance, treasury and corporate strategy activities of the Company. He joined Ally in March 2009 as corporate treasurer with responsibility for global treasury activities, including funding and balance sheet management. Prior to joining Ally, Mr. Brown was the corporate treasurer for Bank of America, where he had responsibility for the core treasury functions, including funding and managing interest rate risk. Mr. Brown spent 10 years at Bank of America, beginning his career in finance and later joining the Balance Sheet Management Division. During his tenure at Bank of America, he also served as the bank's deputy treasurer and oversaw balance sheet management and the company's corporate funding division. He was also a member of the company's Asset/Liability Management Committee. Mr. Brown received a bachelor's degree in economics from Clemson University and an executive master's degree in business from Queens University in Charlotte. He serves on the Trevillian Cabinet of the College of Business and Behavioral Sciences at Clemson University and chairs the board of advisors for the McColl School of Business at Queens University of Charlotte.

Mr. Brown is nominated to be a director because he brings extensive experience in: banking; capital markets activity; turnarounds; corporate strategy; and risk management; and because he has broad and deep knowledge of all facets of the Company's operational, financial and compliance activities in an evolving business and regulatory environment.

Michael A. Carpenter retired as our Chief Executive Officer and as a member of the Board effective February 2, 2015. Jeffrey J. Brown was appointed Chief Executive Officer and a member of the Board effective February 2, 2015 to fill the vacancy created by the resignation of Mr. Carpenter. Henry S. Miller and Brian P. MacDonald each retired from the Board effective at the time of the 2014 Annual Meeting. Gerald Greenwald, who served on the Board since August 2012, is retiring from the Board, effective at the time of the Annual Meeting. Kenneth J.

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Bacon was appointed as a member of the Board effective February 4, 2015. Each of Mr. Miller, Mr. MacDonald and Mr. Greenwald was determined to be independent during his Board service.

THE BOARD RECOMMENDS A VOTE “FOR” EACH OF THE PERSONS NOMINATED BY THE BOARD.

BOARD LEADERSHIP STRUCTURE

The positions of Chairman of the Board and the Chief Executive Officer of the Company are held by two individuals. Pursuant to the Governance Guidelines of the Board, the Chairman of the Board is designated by a majority of the full Board from among Ally’s independent directors. Mr. Hobbs serves as the Chairman of the Board and is a non-executive and independent director. Mr. Brown is our Chief Executive Officer. The Board believes that separating the roles of Chairman and Chief Executive Officer is currently in the best interest of stockholders because it provides a balance between strategy development and independent oversight of management. The Board will, however, maintain its flexibility to make this determination at any given point in time to provide appropriate leadership for the Company. The Company’s Chairman and other directors bring independent experience and expertise from both inside and outside the Company and industry. The Chief Executive Officer is most familiar with the Company’s business and industry, and most capable of leading the execution of the Company’s strategy.

COMMITTEES

Name	Audit Committee	Risk Committee	CNG Committee
Franklin W. Hobbs			
Robert T. Blakely	Chair		
Mayree C. Clark		Chair	
Stephen A. Feinberg			
Kim S. Fennebresque			Chair
Gerald Greenwald			
Marjorie Magner			
Mathew Pendo			
John J. Stack			
Kenneth J. Bacon			

The standing committees of the Board are the Audit Committee, the Risk and Compliance Committee (the "Risk Committee") and the CNG Committee.

The Audit Committee has the sole authority to appoint or replace the Company’s independent registered public accounting firm, which reports directly to the Audit Committee. The Audit Committee also has oversight responsibility for Ally’s accounting and financial reporting and internal controls; Ally’s independent public accounting firm, including its qualifications, independence and performance; Ally’s internal audit function, including the performance and compensation of Ally’s general auditor; and, in conjunction with the Risk Committee, the effectiveness of risk management, and Ally’s compliance with legal and regulatory requirements.

The Audit Committee meets with representatives of the independent registered public accounting firm and with members of the internal auditing department for these purposes. Each member of the Audit Committee is “independent” as required by Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and under the rules of the NYSE, and the Board has determined that all members of the Audit Committee are qualified as “audit committee financial experts,” as defined in Item 407 of Regulation S-K. None of the members of our Audit Committee, other than Mr. Blakely, currently serve on more than three public company audit committees. Mr. Blakely currently serves on the audit committees of four public companies, including Ally. Our Board has discussed with Mr. Blakely the time and effort required to be devoted by Mr. Blakely to his service on these committees and has affirmatively determined that such services do not impair Mr. Blakely’s ability to serve as an effective member of Ally’s Audit Committee.

The Risk Committee has oversight responsibility for risk management programs developed and implemented by management. The Risk Committee assists the Board in setting risk appetite and tolerances, and overseeing management’s responsibility to manage Ally’s risk profile and implement Ally’s risk program, with an emphasis on credit, lease residual, market, operational, insurance/underwriting and liquidity risks from both an enterprise and a line of business perspective. Additionally, the Risk Committee assists in overseeing management’s responsibility to implement Ally's compliance program, with emphasis on Ally's compliance with legal and regulatory requirements. The CNG Committee oversees the establishment, maintenance and administration of Ally's compensation plans, including determining the total compensation of the Company's executive officers. The CNG Committee is also responsible for overseeing Ally's leadership development and Board and management succession planning programs, recommending appointments to Board committees, and overseeing the evaluation of the Board's performance. Each member of the CNG Committee is "independent" under the rules of the NYSE and Rule 10C-1 of the Exchange Act. The Compensation Discussion and Analysis section below contains additional information about the CNG Committee. Stockholders desiring to recommend candidates for membership on the Board for consideration by the CNG Committee should address their recommendations to: Compensation, Nominating, and Governance Committee of the Board of Directors, c/o Ally Financial Inc.,

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Corporate Secretary, 200 Renaissance Center, Mail Code 482-B09-C24, Detroit, Michigan 48265. Candidates recommended by stockholders are evaluated on the same basis as candidates recommended by Board members, executive search firms or other sources.

Charters for the Audit Committee, Risk Committee and CNG Committee, along with Ally's Board of Directors Governance Guidelines and the Code of Conduct and Ethics, are available on the Company's website, http://www.ally.com/about/company-structure/policies-charters/index.html.

RISK MANAGEMENT

The Board exercises risk management oversight both directly and through various Board Committees as discussed below. The Board regularly sets the risk appetite across the Company, and reviews information regarding the Company's principal risks

The Board has established the Risk Committee, which has oversight responsibility for risk management programs developed and implemented by management. The Risk Committee assists the Board in setting risk appetite and tolerances, and overseeing management's responsibility to manage Ally's risk profile and implement Ally's risk program, with an emphasis on credit, lease, residual, market, operational, insurance/underwriting and liquidity risks from both an enterprise and a line of business perspective. The Risk Committee also assists in overseeing management's responsibility to implement Ally's compliance program, with emphasis on Ally's compliance with legal and regulatory requirements. The Company's CNG Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and arrangements as well as risks associated with the independence of the Board and possible conflicts of interest. The Audit Committee has responsibility to oversee the Company's financial risk exposures, as well as the effectiveness of the Company's policies and practices with respect to risk assessment and risk management, which it coordinates with the Risk Committee.

While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed about the known risks to the strategy and the business of the Company, including through verbal reports by the committee chairpersons and the Chief Executive Officer, as well as by receiving copies of minutes of committee meetings. The Board's leadership structure facilitates the Board's oversight of risk and communication with management. Our independent Chairman and our Chief Executive Officer are each focused on the Company's risk management efforts.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During the year ended December 31, 2014, none of the members of the CNG Committee (i) was an officer or employee of the Company, (ii) was a former officer of the Company or (iii) had any relationship requiring disclosure by the Company under any paragraph of Item 404 of Regulation S-K. No executive officer of Ally served on any board of directors or compensation committee of any other company for which any of our directors served as an executive officer at any time during the year ended December 31, 2014.

MEETINGS AND ATTENDANCE

During 2014, there were 13 meetings of the Board, 17 meetings of the Audit Committee, 8 meetings of the Risk Committee and 12 meetings of the CNG Committee. Attendance for all nominees that are currently directors exceeded 75% of the total number of meetings of the Board and committees on which they served for fiscal 2014.

DIRECTOR COMPENSATION

Employee directors and Mr. Feinberg do not receive any separate compensation for their Board activities. Non-employee directors receive the compensation described below.

For 2014, the annual retainer paid to non-employee directors was $200,000, which was unchanged from 2013. Following the Company's IPO in April 2014, half of the annual retainer began to be awarded in the form of deferred stock units ("DSUs") with each DSU representing a right to receive one share of our common stock. Each non-employee director who joins the Board following the grant date of an annual award but prior to the date of our next Annual Meeting of Stockholders will receive a prorated annual award. By their terms, DSUs are vested at grant and settle upon the director's departure from the Board. In addition, at the time of the IPO, a one-time initial award of DSUs in the amount of $100,000 was made to each non-employee director who was in office as of, and continued in office following, the IPO, which award vests quarterly over one year and will settle, with respect to vested DSUs, upon the director's departure from the Board. All DSUs are granted under the Ally Financial Inc. 2014 Non-Employee Directors

Equity Compensation Plan (the “2014 Directors Plan”), which provides for grants of stock options, DSUs and shares of our common stock.

An additional retainer of $50,000 is paid to each non-employee director who serves as a chairperson of a standing committee. All non-employee directors who serve as members of committees, including chairpersons of a committee, are paid additional retainers of $20,000 each. The Chairman of the Board receives an additional retainer of $250,000, which is paid in cash. Meeting fees of $2,000 for each in-person and telephonic meeting are payable when the Board or any committee meets more than eight times per year.

Non-employee directors are reimbursed for travel expenses incurred in conjunction with their duties as directors. Furthermore, Ally will provide the broadest form of indemnification permitted under Delaware law in connection with liabilities that may arise as a result of their role on the Board, provided that the director satisfies the statutory standard of care.

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The following table provides compensation for non-employee directors who served during fiscal 2014.
2014 Director Compensation Table

	Fees Earned or Paid in Cash ($) (a)	Stock Awards ($)(b) (c)	Total ($)
Robert T. Blakely	256,000	200,018	456,018
Mayree C. Clark	268,000	200,018	468,018
Kim S. Fennebresque	238,000	200,018	438,018
Franklin W. Hobbs	458,000	200,018	658,018
Marjorie Magner	222,000	200,018	422,018
John J. Stack (d)	60,000	200,037	260,037
Henry S. Miller	110,000	100,000	210,000
Gerald Greenwald	176,000	200,018	376,018
Brian P. MacDonald	110,000	100,000	210,000
Mathew Pendo	194,000	200,018	394,018

(a) Includes annual, chairman, committee chair and member retainers and additional meeting fees.

(b) Includes annual and one-time DSUs, which were rounded up to the nearest whole share. DSUs to be settled in stock upon a director’s departure from the Board.

(c) Mr. Miller and Mr. MacDonald each retired from the Ally Board of Directors effective July 17, 2014, and therefore forfeited 75% of their 2014 stock awards.

(d) In addition to this amount, Mr. Stack also received $188,000 in cash fees during 2014 for serving as a member of the board of directors of Ally Bank.

The following table sets forth the aggregate number of DSUs held by each non-employee director at December 31, 2014. Each DSU represents one common share of Ally.

	DSU Balances as of December 31, 2014		
	Annual Equity Grant (#)	One-time IPO Grant (#)	Total DSUs (#)
Robert T. Blakely	8,932	4,000	12,932
Mayree C. Clark	8,932	4,000	12,932
Kim S. Fennebresque	8,932	4,000	12,932
Franklin W. Hobbs	14,232	4,000	18,232
Marjorie Magner	8,932	4,000	12,932
John J. Stack	8,534	—	8,534
Henry S. Miller	—	—	—
Gerald Greenwald	4,267	4,000	8,267
Brian P. MacDonald	—	—	—
Mathew Pendo	4,267	4,000	8,267

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

As of March 19, 2015, the following are known to the Company to be the beneficial owners of more than five percent of the Company’s Common Stock:

Name and Address of Beneficial owner	Amount and Nature of Beneficial Ownership	Percentage
Persons affiliated with Third Point LLC c/o Third Point LLC 390 Park Avenue, 18th Floor New York, New York 10022	30,000,000	6.2%
Persons affiliated with Cerberus Capital Management, L.P. c/o Cerberus Capital Management, L.P. 299 Park Avenue, 22nd Floor New York, New York 10171	41,516,297	8.6%

STOCKHOLDERS AGREEMENT

On March 25, 2014, Ally, Cerberus and Treasury entered into the Stockholders Agreement, which became effective on April 15, 2014, in order to memorialize certain corporate governance matters of Ally following the IPO. Pursuant to its terms, the Stockholders Agreement terminated as of December 24, 2014, the date that Treasury ceased to hold at least 9.9% of Ally's common stock. The Stockholders

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Agreement provided Cerberus and Treasury each with the right to designate one nominee and one non-voting observer to Ally's Board, subject to Cerberus and Treasury each maintaining a certain ownership threshold in Ally's outstanding common stock.

VOTING AGREEMENT

In connection with the IPO, Ally and Treasury entered into a voting agreement, which became effective on April 15, 2014. Pursuant to its terms, the Voting Agreement terminated as of December 24, 2014, the date Treasury ceased to beneficially own more than 2% of the shares of Ally common stock then issued and outstanding. The Voting Agreement provided that Treasury would vote its shares of Ally common stock at any meeting (whether annual or special) with respect to each matter on which common stockholders were entitled to vote (other than certain designated matters) in the same proportion as all other shares of the common stock were voted with respect to each such matter.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information, as of March 19, 2015, concerning the number of shares of Common Stock and Deferred Stock Units of the Company beneficially owned by all directors and nominees, each of the Named Executive Officers, and directors and executive officers as a group. Each of the individuals listed in the following table owns less than one percent of the outstanding shares of Common Stock; and all directors and officers as a group own less than one percent of the outstanding shares of Common Stock. The persons named have furnished this information to us.

Name	Shares of Common Stock Beneficially Owned		Stock-Settled Deferred Stock Units Beneficially Owned (a)
Franklin W. Hobbs	5,000		18,232
Robert T. Blakely	—		12,931
Mayree C. Clark	—		12,931
Stephen A. Feinberg	—	(b)	—
Kim S. Fennebresque	—		12,931
Gerald Greenwald	—		8,267
Marjorie Magner	1,700		12,931
Mathew Pendo	—		8,267
John J. Stack	4,000		7,467
Kenneth J. Bacon	—		1,274
Michael A. Carpenter	—		—
Jeffrey J. Brown	1,101		—
Christopher A. Halmy	7,843		—
Barbara Yastine	5,000		—
William F. Muir	—		—
William Solomon	1,101		—
Directors and executive officers as a group	25,745		95,231

(a) Each Stock-Settled Deferred Stock Unit represents a vested stock-settled unit or a stock-settled unit that will vest within 60 days of March 19, 2015.

(b) Mr. Feinberg does not directly own any shares of Common Stock of Ally. Funds and accounts affiliated with Cerberus Capital Management, L.P. (the "Cerberus Funds") own 41,516,297 shares of the Common Stock. Mr. Feinberg, through one or more intermediate entities, exercises sole voting and dispositive control with respect to all shares of the Common Stock held by the Cerberus Funds. The Cerberus Funds have pledged 37,487,589 of the shares owned by the Cerberus Funds as security in the ordinary course of their portfolio investment management.

The beneficial ownership reported in the preceding table does not include the equity-based awards held by our active NEOs. The following table shows the number of DSUs and IRSUs held by our active NEOs as of March 19, 2015. The numbers of IRSUs include both vested and unvested IRSUs. Both DSUs and IRSUs are settled in cash based on the fair market value of Ally common stock. For further information, refer to the "Executive Compensation" section below.

Name	Number of DSUs	Number of IRSUs	Total Number of DSUs and IRSUs
Jeffrey J. Brown	155,601	7,574	163,175
Christopher A. Halmy	72,317	3,310	75,627
Barbara Yastine	187,149	8,934	196,083
William Solomon	75,221	3,997	79,218

The security ownership of Ally and Ally Bank directors and all Ally officers that are required to pre-clear all trades in Ally securities in accordance with Ally's insider trading compliance program (collectively, "Covered Persons") is governed by the Ally Personal Trading Restrictions. These restrictions are intended to ensure that the interests of officers and directors of Ally are aligned with the long-term interests of Ally shareholders, and to discourage short-term speculation in Ally securities. The Ally Personal Trading Restrictions cover any Ally securities and prohibit (i) any transaction that hedges a Covered Person's economic interest in and exposure to the full rewards and risk of ownership in any Ally security; (ii) any transaction in options on Ally securities, such as puts or calls, or any transaction in other derivative securities that derives its value from an Ally security; (iii) any short sales of Ally securities; (iv) holding Ally securities in a margin account, or pledging Ally securities as collateral for a loan of any kind; and (iv) purchasing any Ally security through limit orders.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who beneficially own more than 10% of the Company's Common Stock to file initial reports of ownership and reports of changes in ownership with the SEC. Directors, executive officers and beneficial owners of more than 10% of the Company's Common Stock are required by SEC regulations to furnish us with copies of all forms they file with the SEC pursuant to Section 16(a) of the Exchange Act. To the Company's knowledge, based solely on its review of such forms received by the Company and written representations that no other reports were required, all Section 16(a) filing requirements were complied with during the fiscal year ended December 31, 2014.

REVIEW, APPROVAL OR RATIFICATION OF TRANSACTIONS WITH RELATED PERSONS AND CODE OF CONDUCT AND ETHICS

Executive officers and directors are governed by the Company's Code of Conduct and Ethics, which provides that waivers may only be granted by the Board to executive officers. Under the Company's Bylaws, if any officer or director has an actual or potential conflict of interest as against Ally, he or she must disclose such conflict to Ally's legal staff and, in the case of directors, to the Board, and any such conflict must be addressed in accordance with applicable legal requirements.

No transactions with related persons required to be disclosed under Item 404(a) of Regulation S-K are currently proposed. The Company's written related party transaction policy applies to directors, nominees for election to the Board, executive officers, beneficial owners of 5% or more of the Company's voting securities and their respective immediate family members (each a "Related Person"). Under the Company's policy, all transactions involving the Company in which a Related Person has a direct or indirect material interest must be reviewed by the Company's General Counsel, and if disclosable under Item 404(a) of Regulation S-K, the General Counsel must refer the transaction for review by the Board or a committee of the Board. In reviewing Related Person transactions, the Board or committee considers relevant facts and circumstances, including, without limitation, the commercial reasonableness of the terms, the benefit and perceived benefit (or lack thereof) to the Company, the nature and opportunity costs of alternate transactions, the materiality and character of the Related Person's direct or indirect interest, and the actual or potential conflict of interest of the Related Person.

EXECUTIVE COMPENSATION

Corporate Governance and Related Disclosures

The Compensation, Nominating, and Governance Committee

The CNG Committee (sometimes referred to in this "Executive Compensation" section as the "Committee") is a committee of the Ally Board consisting of the following non-employee independent directors: Kim S. Fennebresque (Committee Chairman), Robert T. Blakely, Franklin W. Hobbs and Marjorie Magner. During 2014, the Committee met 12 times.

Pursuant to its Charter, the Committee is responsible for the following, among other things:

- Discharging the Board's responsibilities with respect to the establishment, maintenance and administration of Ally's compensation plans, including determining the total compensation of the Chief Executive Officer ("CEO") and other senior executives designated by the Committee as under its purview;
- Overseeing Ally's leadership development programs and succession planning;
- Identifying qualified individuals for membership on the Board (consistent with criteria approved by the Board) and recommending to the Board the director nominees;
- Reviewing and recommending to the Board the director compensation for service on the Board;
- Leading the Board and its committees in their annual self-evaluation and the annual review of the Board's performance;
- Developing and recommending to the Board a corporate governance policy for the Board, and overseeing Ally's corporate governance procedures and practices related to the Board; and
-

Performing any and all duties required of it under applicable laws, rules, regulations, regulatory guidance, or other legal authority.

Compensation, Nominating, and Governance Committee Process

Ally's executive compensation programs are administered by the Committee.

The Committee determines the compensation of the CEO and other senior executives under its purview, which was subject to the requirements of TARP during 2014, including the compensation of our named executive officers ("NEOs"), who were also our Senior Executive Officers ("SEOs") for purposes of TARP). In making its determination for senior executives other than the CEO, and in making changes to our executive compensation program, the Committee considers the recommendations of the CEO. The Committee determines the compensation of the CEO without recommendations from the CEO or other management. The Committee delegated to the CEO the authority to determine cash and equity compensation for executives other than for the approximately 25 highest-compensated employees ("Top 25") and other select senior executives as determined by the Committee. The Committee also meets periodically in executive session without the

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presence of any members of management. The Committee seeks the input of Ally's Risk Management functions and, in its deliberations on compensation related issues, it also consults with the chairpersons of the Board's Risk and Compliance Committee and Audit Committee as it deems appropriate.

Frederic W. Cook & Co., Inc. ("Cook") served as an independent advisor to the Committee during 2014. Cook reports directly to the Committee and provides ongoing advice with respect to the plans and programs covering the executives, including our NEOs and non-employee directors, for which the Committee is responsible. Cook reviews all materials developed by management in advance of Committee meetings, provides advice and recommendations concerning changes to our plans and programs, as well as information on market practices and trends, and attends meetings of the Committee. Cook undertakes no separate work for Ally.

Ally management engaged Pearl Meyer & Partners ("Pearl Meyer") to provide consulting assistance on matters pertaining to executive compensation, including a competitive assessment of the compensation paid to Ally's CEO, an updated competitive assessment of the compensation for the Top 25 requested by the Office of the Special Master for TARP Executive Compensation ("Special Master"), and consulting related to a post-TARP compensation framework.

Compensation, Nominating, and Governance Committee Report

The Committee has reviewed and discussed with Ally management the Compensation Discussion and Analysis and, based on that discussion, recommended it to the Ally Board of Directors for inclusion in the Company's Proxy Statement.

The Committee, with the assistance of Ally's Risk Management and Human Resource functions, conducts assessments of the risks associated with Ally's compensation policies and practices, which during 2014 were conducted every six months as required by TARP. To complete these assessments, the Committee followed a process that consisted of the following: (1) ranking plans in a tiered system based on each plan's potential to encourage risk taking as determined by the nature of the activities engaged in by participants as well as the size of the potential payout; (2) identifying risk mitigators built into each plan such as caps, clawback features, and mandatory deferrals; and (3) implementing as necessary additional risk mitigators or controls in plans.

Based on the risk assessments conducted during 2014, the Committee concluded that (1) the SEO compensation programs did not encourage excessive and unnecessary risk taking that could threaten the value of Ally; (2) other employee compensation plans did not encourage unnecessary or excessive risk taking that could threaten the value of the Company, or reward short term results to the detriment of long-term value creation; and (3) Ally's compensation programs did not encourage the manipulation of reported earnings.

The Committee, with the assistance of the Company's senior risk officers, will continue to assess the risks associated with Ally's compensation plans and take necessary steps to identify and eliminate any features that may unnecessarily expose Ally to risks or encourage manipulation of reported earnings.

As required by TARP, the Compensation, Nominating and Governance Committee certifies that:

- It reviewed with senior risk officers the SEO compensation plans and identified and limited features to ensure that these plans do not encourage SEOs to take unnecessary and excessive risks that threaten the value of Ally.
- It reviewed with senior risk officers the employee compensation plans and identified and limited features as it deemed necessary to ensure that Ally is not exposed to unnecessary risks.
- It reviewed the employee compensation plans to eliminate any features in these plans that would encourage the manipulation of reported earnings of Ally to enhance the compensation of any employee.

THE COMPENSATION, NOMINATING, AND GOVERNANCE COMMITTEE

Kim S. Fennebresque (Committee Chairman)
Robert T. Blakely
Franklin W. Hobbs
Marjorie Magner

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Compensation Discussion and Analysis

Introduction

Named Executive Officers

This Compensation Discussion and Analysis and the executive compensation tables that follow provide information relating primarily to the following 2014 named executive officers ("NEOs") of the Company: