GAP INC
Form DEF 14A
April 09, 2019
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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

Filed by a Party other than the Registrant

CHECK THE APPROPRIATE BOX:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

The Gap, Inc.

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
1) Title of each class of securities to which transaction applies:
2) Aggregate number of securities to which transaction applies:
3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4) Proposed maximum aggregate value of transaction:
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1) Amount previously paid:
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3) Filing Party:
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NOTICE OF ANNUAL MEETING OF GAP INC. SHAREHOLDERS

PROXY STATEMENT

May 21, 2019
San Francisco, California

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NOTICE OF ANNUAL MEETING OF **SHAREHOLDERS**

DATE AND TIME

Tuesday, May 21, 2019
10:00 a.m., San Francisco Time

PLACE

Gap Inc. Headquarters
Two Folsom Street
San Francisco, California 94105

RECORD DATE

You must have been a shareholder of record at the close of business on March 25, 2019 to vote at the Annual Meeting.

WEBCAST

You may listen to our Annual Meeting by webcast at www.gapinc.com (follow the Investors, Webcasts links). The webcast will be recorded and available for replay on www.gapinc.com for at least 30 days following the Annual Meeting.

ITEMS OF BUSINESS

- Elect to the Board of Directors the twelve nominees named in the attached Proxy Statement;
- Ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending on February 1, 2020;
- Hold an advisory vote to approve the overall compensation of the named executive officers;
- Approve the amendment and restatement of the The Gap, Inc. 2016 Long-Term Incentive Plan; and
- Transact such other business as may properly come before the meeting.

INTERNET AVAILABILITY

In accordance with U.S. Securities and Exchange Commission rules, we are using the Internet as our primary means of furnishing our proxy materials to most of our shareholders. Rather than sending those shareholders a paper copy of our proxy materials, we are sending them a notice with instructions for accessing the materials and voting via the Internet. We believe this method of distribution makes the proxy distribution process more efficient, less costly and limits our impact on the environment. This Proxy Statement and our 2018 Annual Report to Shareholders are available at: www.gapinc.com (follow the Investors, Annual Reports & Proxy links).

PROXY VOTING

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. As an alternative to voting in person at the Annual Meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card.

ADMISSION TO THE ANNUAL MEETING

You are entitled to attend the Annual Meeting only if you were a Gap Inc. shareholder as of the close of business on March 25, 2019 or you hold a valid proxy for the Annual Meeting. **Photo identification is required for admittance. In addition, if you are not a shareholder of record but hold shares through a broker, bank, trustee or nominee (i.e., in street name), you will be required to provide proof of beneficial ownership as of the Record Date.** Proof of beneficial ownership can take the form of your most recent account statement prior to the Record Date, a copy of the voting instruction card provided by your broker, bank, trustee or nominee, a copy of the Notice of Internet Availability of Proxy Materials if one was mailed to you, or similar evidence of ownership.

By Order of the Board of Directors,

Julie Gruber
Corporate Secretary
April 9, 2019

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PROXY **SUMMARY**

References in this Proxy Statement to “Gap Inc.,” “the Company,” “we,” “us,” and “our” refer to The Gap, Inc.

These proxy materials are being delivered in connection with the solicitation of proxies by the Board of Directors of The Gap, Inc. for use at our Annual Meeting of Shareholders to be held on May 21, 2019, at 10:00 a.m., San Francisco Time, at Gap Inc. Headquarters, Two Folsom Street, San Francisco, California 94105 and at any adjournment or postponement thereof (the “Annual Meeting”).

On or about April 9, 2019, we commenced distribution of this Proxy Statement and the form of proxy to our shareholders entitled to vote at the Annual Meeting.

AGENDA

Items of Business	Management Recommendation	Page No.
Elect to the Board of Directors the twelve nominees named in this Proxy Statement.	The Board recommends you vote **“FOR”** each of the twelve nominees.	Page 5
Ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending on February 1, 2020.	The Board recommends you vote **“FOR”** the selection of the independent registered public accounting firm.	Page 17
Hold an advisory vote to approve the overall compensation of the named executive officers.	The Board recommends you vote **“FOR”** the approval of the overall compensation of the Company’s named executive officers.	Page 20
Approve the amendment and restatement of The Gap, Inc. 2016 Long-Term Incentive Plan.	The Board recommends you vote **“FOR”** the approval of the amendment and restatement of The Gap, Inc. 2016 Long-Term Incentive Plan.	Page 51

VOTING SHARES

The holders of common stock at the close of business on March 25, 2019 (the “Record Date”) are entitled to one vote per share on each matter voted upon at the Annual Meeting or any adjournment or postponement thereof. As of the Record Date, there were 379,014,042 shares of common stock outstanding.

You may vote your shares by:

By Internet

www.proxyvote.com

By Mail

Sign and return a proxy card (for shareholders of record) or voting instruction card (for beneficial owners of shares)

By Phone

1-800-690-6903

In Person

At the meeting: May 21, 2019,
10:00 a.m. San Francisco Time
Gap Inc. Headquarters
Two Folsom Street
San Francisco, California 94105

If you vote by Internet or by phone, you will need to have a proxy card or voting instruction card, or the Notice of Internet Availability, in hand when you access the voting website or call to vote by phone. And if you vote by Internet or phone, you do not need to return anything by mail. Specific voting instructions are found on the proxy card, voting instruction card, or the Notice of Internet Availability of Proxy Materials.

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PROPOSALS REQUIRING
YOUR VOTE

PROPOSAL NO. 1 — ELECTION OF DIRECTORS

Nominees for Election as Directors

ELECTION PROCESS

Directors will be elected at the Annual Meeting to serve until the next Annual Meeting and until their successors are elected. The Governance and Sustainability Committee of the Board of Directors has nominated the persons whose names are set forth below, all of whom are current directors.

DIRECTOR NOMINATIONS

The Board of Directors has no reason to believe that any of the nominees will be unable to serve. However, if any nominee should for any reason be unavailable to serve, the Board of Directors may reduce the number of directors fixed in accordance with our Bylaws, or the proxies may be voted for the election of such other person to the office of director as the Board of Directors may recommend in place of the nominee. Set forth below is certain information concerning the nominees, including age, experience, qualifications and principal occupation during at least the last five years, based on data furnished by each nominee.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “**FOR**” THE ELECTION OF EACH OF THE FOLLOWING NOMINEES.

Amy Bohutinsky

Age: 44 Director since 2018 Committee Membership: None	Chief Operating Officer of Zillow Group, Inc., an online real estate database company, August 2015-January 2019. Chief Marketing Officer, Zillow Group, Inc., February 2011-August 2015. Director of Zillow Group, Inc. As an experienced leader and brand builder, Ms. Bohutinsky brings extensive strategic and operational expertise in multi-brand strategy, marketing, investor relations, communications, digital, consumer products, facilities, and human resources and talent management.

John J. Fisher

Age: 57 Director since 2018 Committee Membership: None	Executive Vice Chairman of Pisces, Inc., an investment group, since June 2016. President of Pisces, Inc., October 1992-June 2016. Mr. Fisher brings extensive financial acumen, as well as executive leadership and risk management experience. In addition, he possesses deep retail industry and consumer product expertise having managed investments in a vast array of consumer goods and services companies.

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Robert J. Fisher

Age: 64 Director since 1990.	Non-executive Chairman of the Board since February 2015. Managing Director, Pisces, Inc., an investment group, since 2010. Interim President and Chief Executive Officer of Gap Inc., January 2007-August 2007. Non-executive Chairman of Gap Inc., 2004-August 2007. Executive of Gap Inc., 1992-1999. Various positions with Gap Inc., 1980-1992. Former director of Sun Microsystems, Inc., 1995-2006.
Committee Membership: Governance & Sustainability (Chair)	Mr. Fisher has vast retail business experience specific to Gap Inc. and its global operations, as a result of his many years serving in a variety of high-level Gap Inc. positions. His previous leadership and oversight roles at the Company provide him with a deep understanding and unique insight into our organizational and operational structure. Mr. Fisher brings strong leadership to the Board based on perspective gained from his management roles and experience as a key member of the founding family and significant shareholder.

William S. Fisher

Age: 61 Director since 2009.	Founder and Chief Executive Officer of Manzanita Capital Limited, a private equity fund, since 2001. Executive Vice Chairman of Pisces, Inc., an investment group, since June 2016. Various positions with Gap Inc., 1986-1998.
Committee Membership: None	Mr. Fisher brings extensive global retail and business experience to the Board as a result of his many years serving in a variety of high-level positions across Gap Inc., including President of the International Division. In addition, as a director on the boards of a number of private retail companies, including Space NK and Diptyque, he brings extensive knowledge of the global retail industry and risk oversight expertise.

Tracy Gardner

Age: 55 Director since 2015.	Principal of Tracy Gardner Consultancy, since 2010. Chief Executive Officer of dELiA*s Inc., an omni-channel retail company primarily marketing to teenage girls, 2013- 2014. dELiA*s Inc. filed voluntary petitions for relief under Chapter 11 in December 2014. Former executive of J. Crew Group, Inc., 2004-2010. Various positions with Gap Inc., 1999-2004. Former director of Lands' End, 2014-2015.
Committee Membership: Audit & Finance	With over 30 years of experience, Ms. Gardner is a retail industry veteran who brings deep product and operational expertise, and vast experience as an operator, merchant, creative director and leader in growing multi-channel brands. In addition, her experience as a former senior executive within Gap Inc., and more recently as an advisor to Gap brand, provides Ms. Gardner with an in-depth understanding of the Company's global business structure and operations.

Isabella D. Goren

Age: 58 Director since 2011.	Chief Financial Officer of AMR Corporation and American Airlines, Inc., 2010-2013. AMR Corporation and American Airlines, Inc. successfully completed a reorganization under Chapter 11 in 2013, for which a voluntary petition was filed in 2011. Senior Vice President of Customer Relationship Marketing of American Airlines, 2006-2010. Various positions with AMR Corporation and American Airlines, Inc., 1986-2006, including President of AMR Services, previously a subsidiary of AMR, 1996-1998. Director of LyondellBasell Industries N.V. and MassMutual Financial Group.
Committee Membership: Audit & Finance	Ms. Goren has broad experience in a number of key corporate functions, including finance, marketing, human resources and international operations. She brings extensive expertise in leadership of complex business functions, customer loyalty programs and online marketing, talent development, financial functions, and global operations and strategies.

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Bob L. Martin

Age: 70 Director since 2002. Committee Membership: Compensation & Management Development (Chair); Governance & Sustainability	Lead Independent Director from 2003 to 2015. Operating Partner of Stephens Group, Inc., a private equity group, since 2003. Chief Executive Officer (part-time) of Mcon Management Services, Ltd., a consulting company, since 2002. Independent Consultant, 1999-2002. President and Chief Executive Officer of Wal-Mart International, a division of Wal-Mart Stores, Inc., 1984-1999. Director of Conn's Inc. Former director of Dillard's, Inc., 2003-2004, Edgewater Technology, Inc., 1999-2005, Furniture Brands International, Inc., 2003-2010, Guitar Center, 2004-2007, Sabre Holdings Corporation, 1997-2007, and SolarWinds, Inc., 2009-2010. Mr. Martin is a retail industry veteran with over 35 years of work experience. As the former chief executive officer of Wal-Mart International, during which he ran operations in 12 countries across four continents, Mr. Martin brings extensive global governance and executive management experience, as well as a vast knowledge of international consumer brands and markets. As the former executive vice president and chief information officer for Wal-Mart Stores, Inc., Mr. Martin also has extensive insight into the areas of information technology and supply chain capabilities and strategies specific to a global retail company.

Jorge P. Montoya

Age: 72 Director since 2004. Committee Membership: Audit & Finance	President, Global Snacks & Beverages, and President, Latin America, of The Proctor & Gamble Company, a consumer products company, 1999-2004. Director of The Kroger Co. Former director of Rohm & Haas Company, 1996-2007. With over 30 years of leadership at large consumer products companies, including The Proctor & Gamble Company, Mr. Montoya possesses a deep knowledge of Hispanic markets, as well as extensive experience in management, international growth, consumer products, and marketing.

Chris O'Neill

Age: 46 Director since 2018. Committee Membership: Compensation & Management Development	Chairman, President and Chief Executive Officer of Evernote Corporation, a global cloud-based technology company, September 2016-October 2018. President and Chief Executive Officer, Evernote Corporation, July 2015-September 2016. Various positions with Google Inc., 2005-2015, including Managing Director, Google Canada, September 2010-May 2014, and Head of Global Business Operations, Google [x], May 2014-July 2015. Mr. O'Neill's experience as Chairman, President and Chief Executive Officer of Evernote Corporation, and decade-long experience at Google Inc., provides him with extensive expertise in leading high-growth, innovative companies and understanding the strategic role technology plays in business.

Arthur Peck

Age: 63 Director since 2015. Committee Membership: None	President and Chief Executive Officer of Gap Inc. since February 2015. President, Growth, Innovation and Digital division of Gap Inc., November 2012 to January 2015. President, Gap North America, February 2011 to November 2012. Executive Vice President of Strategy and Operations of Gap Inc., May 2005 to February 2011. President, Gap Inc. Outlet, October 2008 to February 2011. Acting President, Gap Inc. Outlet, February 2008 to October 2008. Senior Vice President of The Boston Consulting Group, a business consulting firm, 1982 to 2005. As a result of his service as Gap Inc.'s Chief Executive Officer, as well as his service in other senior positions at Gap Inc. and his experience as a Senior Vice President of The Boston Consulting Group, Mr. Peck has extensive risk oversight, management, talent development, and leadership experience, as well as a deep knowledge of the complex technological, financial, and operational issues facing global retail companies.

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Lexi Reese

Age: 44 Director since 2018	Chief Operating Officer of Gusto, a cloud-based payroll, benefits, and human resources management solutions company, since September 2015. Vice President, Programmatic Sales and Strategy, Google, Inc., October 2011-September 2015.
Committee Membership: None	Ms. Reese possesses over fifteen years of technology and operations management experience related to using data to drive profitable market share growth. In addition, she brings extensive leadership and change management expertise leading cross-functional operations, including marketing, sales, and customer experience.

Mayo A. Shattuck III

Age: 64 Director since 2002.	Non-Executive Chairman of Exelon Corporation, an energy company, since 2013. Executive Chairman of Exelon Corporation, 2012-2013. Chairman, Chief Executive Officer, and President of Constellation Energy Group, 2002-2012. Chief Executive Officer and President of Constellation Energy Group, 2001-2002. Director of Capital One Financial Corporation and Alarm.com Holdings, Inc.
Committee Membership: Audit & Finance (Chair); Governance & Sustainability	With his experience on the boards of directors of two other public companies, as the former chief executive officer of an investment bank and Constellation Energy Group and as non-executive Chairman of Exelon Corporation, Mr. Shattuck brings extensive expertise in risk oversight, financial literacy and reporting, corporate governance, and compliance, as well as leadership experience.

John J. Fisher, Robert J. Fisher, and William S. Fisher are brothers. Information concerning our executive officers who are not also directors is set forth in our Annual Report on Form 10-K for the fiscal year ended February 2, 2019.

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DIRECTOR INDEPENDENCE

The Board of Directors has determined that the following directors are independent under the New York Stock Exchange ("NYSE") rules and have no direct or indirect material relationships with the Company:

Amy Bohutinsky	Tracy Gardner	Jorge P. Montoya
John J. Fisher	Brian Goldner*	Chris O'Neill
Robert J. Fisher	Isabella D. Goren	Lexi Reese
William S. Fisher	Bob L. Martin	Mayo A. Shattuck III

*Mr. Goldner is not standing for reelection.

In particular, the Board has determined that none of these directors has relationships that would cause them not to be independent under the specific criteria of Section 303A.02 of the NYSE Listed Company Manual. In making this determination with respect to John, Robert and William Fisher, the Board considered the following factors: (i) with the exception of Robert Fisher's brief period of service during 2007 as Interim President and Chief Executive Officer ("CEO") of the Company during a CEO transition, neither John, Robert nor William Fisher has served as an officer of the Company in over 15 years; and (ii) NYSE guidance indicates that ownership of even a significant amount of stock does not preclude a finding of independence. After consideration of these factors, the Board concluded that there is no material relationship between the Company and John, Robert and William Fisher that would impact their independence under NYSE rules.

Corporate Governance

CORPORATE GOVERNANCE GUIDELINES

We have adopted Corporate Governance Guidelines that outline, among other matters, the role and functions of the Board, the responsibilities of the various Board committees, and the procedures for reporting concerns to the Board.

Our **Corporate Governance Guidelines** are available at www.gapinc.com (follow the Investors, Governance, Corporate Governance Guidelines links).

ADDITIONAL CORPORATE GOVERNANCE INFORMATION

If you would like further information regarding our corporate governance practices, please visit the Governance and Corporate Compliance sections of www.gapinc.com (follow the Investors link). Those sections include:

- Our Corporate Governance Guidelines (available in print on request to our Corporate Secretary);
- Our Code of Business Conduct (available in print on request to our Corporate Secretary);
- Our Committee Charters;
- Our Certificate of Incorporation;
- Our Bylaws;
- A method for interested parties to send direct communications to our Board of Directors (through our Chairman and Corporate Secretary) by email to board@gap.com; and
- Methods for employees and others to report suspected violations of our Code of Business Conduct ("COBC"), including accounting or auditing concerns, directly to our Global Integrity team by confidential email to global_integrity@gap.com, through our COBC Hotline (866) GAP-CODE or online at speakup.gapinc.com. Callers from outside North America must dial their country's AT&T Direct Access Code, which can be found at speakup.gapinc.com. COBC Hotline calls are answered by a live operator 24 hours a day/7 days a week by an outside company, and are free and confidential and may be made anonymously. Accounting, auditing, and other significant concerns are escalated by the Global Integrity team, as appropriate, including to the Audit and Finance Committee, as required.

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RISK OVERSIGHT

BOARD OVERSIGHT OF RISK

The Board has an active role in overseeing the management of the Company's risks. Annually, the Company's Internal Audit department performs a comprehensive enterprise risk assessment encompassing a number of significant areas of risk identified using a risk framework, including strategic, operational, compliance, financial, and reputational risks. The Company has established a Risk Committee, which includes the heads of Finance, Legal, Strategy, Human Resources, Supply Chain, and Internal Audit, as well as a brand president. The Risk Committee is responsible for overseeing the assessment process designed to gather data regarding key enterprise risks that could impact the Company's ability to achieve its objectives and execute its strategies. Primary assessment methods include interviews (either in-person or via the use of technology-enabled collaboration sessions) and surveys with employees, key executives and Board members, review of critical Company strategies and initiatives, regulatory changes and monitoring of emerging industry trends and issues. The assessment results are reviewed by the CEO and the Risk Committee, and are presented to the Board to facilitate discussion of high risk areas. The results provide the foundation for the annual Internal Audit plan, management's monitoring and risk mitigation efforts, and ongoing Board oversight. The Risk Committee meets periodically to monitor key enterprise risks and review and adjust the risk mitigation plans accordingly. In addition, on a regular basis, management communicates with the Board, both formally and informally, about key initiatives, strategies and industry developments, in part to assess and manage the potential risks.

While the Board of Directors has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. In particular, the Audit and Finance Committee focuses on financial and compliance risks, and oversees the data privacy and cybersecurity programs, and the Compensation and Management Development Committee sets employee incentives with the goal of encouraging an appropriate level of risk-taking, consistent with the Company's business strategies.

COMPENSATION RISK ASSESSMENT

On an annual basis, management conducts a comprehensive overall review of each of the Company's compensation policies and practices for the purpose of determining whether any risks arising from those policies and practices are reasonably likely to have a material adverse effect on the Company. As a part of this review, each of the Company's compensation policies and practices were compared to a number of specific factors that could potentially increase risk, including the specific factors that the SEC has identified as potentially triggering disclosure. The Company balanced these factors against a variety of mitigating factors. Examples of some of the mitigating factors are:

- Compensation policies and practices are structured similarly across business units;
- The risk of declines in performance in our largest business units is well understood and managed;
- Incentive compensation expense is not a significant percentage of any unit's revenues;
- For executives, a significant portion of variable pay is delivered through long-term incentives, which carry vesting schedules over multiple years;
- A mix of compensation vehicles and performance measures is used;
- Stock ownership requirements for executives are in place;
- Significant incentive plans are capped at all levels;
- Threshold levels of performance must be achieved for the bulk of variable pay opportunities; and
- A clawback policy with respect to financial restatements is in place.

Management's assessment was also presented to the Company's Chief Compliance Officer and the Chair of the Board's Compensation and Management Development Committee. As a result of management's review, the Company determined that any risks arising from its compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

COMMUNICATION WITH DIRECTORS

Interested parties can send direct communications to our Board of Directors (through our Chairman and Corporate Secretary) by email to: board@gap.com.

CODE OF BUSINESS CONDUCT

Our Code of Business Conduct is designed to promote a responsible and ethical work environment for all Gap Inc. employees and directors. The Code contains guidelines on conflicts of interest, legal compliance, Company information and assets, and political contributions and activities.

Our **Code of Business Conduct** is available at www.gapinc.com (follow the Investors, Corporate Compliance, Code of Business Conduct links).

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POLICIES AND PROCEDURES WITH RESPECT TO RELATED PARTY TRANSACTIONS

The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities and recognizes that related party transactions can present a heightened risk of potential or actual conflicts of interest. The Compensation and Management Development Committee's charter requires that the members of that Committee, all of whom are independent directors, approve all of the Company's executive compensation policies and programs and all compensation awarded to executive officers. The Audit and Finance Committee's charter requires that the members of the Audit and Finance Committee, all of whom are independent directors, review and approve transactions with the Company involving management and/or members of the Board of Directors that are not otherwise subject to the approval of the Compensation and Management Development Committee and would require disclosure under SEC rules. In the event a transaction involves a committee member, that member will recuse him or herself from the approval of the transaction.

In addition, the Audit and Finance Committee oversees the Company's Corporate Compliance Program, which includes procedures for the (i) receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and (ii) confidential, anonymous submission by employees and others of concerns regarding questionable accounting or auditing matters and other matters under the Company's Code of Business Conduct.

BOARD LEADERSHIP STRUCTURE AND SUCCESSION

Our Amended and Restated Bylaws provide that our Chairman of the Board shall not be an officer or employee of the Company. Robert Fisher, an independent director, has served as our Chairman of the Board since February 2015.

We believe in the importance of independent oversight. We ensure that this oversight is truly independent and effective through a variety of means, including:

- We have separated the positions of CEO and Chairman of the Board. We believe this provides the most appropriate leadership structure at this time. Our CEO is responsible for day-to-day leadership and for setting the strategic direction of the Company, while the Chairman of the Board presides over Board meetings, including non- management and independent director sessions, and shareholder meetings.
- Our Corporate Governance Guidelines provide that at least two-thirds of our directors should be independent. Currently, all of our directors other than Mr. Peck are independent.
- Our Corporate Governance Guidelines provide that in the event that the Chairman of the Board is not an independent director, the Board shall designate an independent director to serve as Lead Independent Director.
- At each regularly scheduled Board meeting, all non-management directors are typically scheduled to meet in an executive session without the presence of any management directors.
- At least annually, the independent directors meet in executive session.
- The charters for each of our standing committees of the Board described below (Governance and Sustainability, Audit and Finance, and Compensation and Management Development) require that all of the members of those committees be independent.

GOVERNANCE AND SUSTAINABILITY COMMITTEE

The Board's Governance and Sustainability Committee is composed solely of independent directors.

This Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the Company's corporate governance matters, including the development of corporate governance guidelines, annual evaluation of the Board, its committees and individual directors, identification and selection of director nominees, oversight of the Company's programs, policies and practices relating to social and environmental issues, impacts and strategies, and such other duties as directed by the Board of Directors.

The Committee's charter is available at www.gapinc.com (follow the Investors, Governance, Governance and Sustainability Committee Charter links).

NOMINATION OF DIRECTORS

The Governance and Sustainability Committee has the responsibility to identify, evaluate, and recommend qualified candidates to the Board. The Chairman, CEO, and at least two independent directors interview any qualified candidates prior to nomination.

Other directors and members of management interview each candidate as requested by the Chairman, CEO, or chair of the Committee. Mr. Fisher was identified as a potential candidate by the Board. Ms. Bohutinsky and Ms. Reese were identified as potential candidates by a third-party search firm.

The Committee identifies desired attributes and experience – classifying those that are prioritized and mandatory versus those that are ideal but not mandatory – and engages third-party search firms as independent consultants to identify potential director nominees based on these criteria and a needs assessment. The Committee, in collaboration with the

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consultant, may develop targeted search specifications. These consultants have assisted the Committee in identifying a diverse pool of qualified candidates and in evaluating and pursuing individual candidates at the direction of the Committee.

The Committee will also consider director nominees recommended by shareholders. Our Bylaws provide that a shareholder may propose director nominations at the meeting of shareholders in 2020 by giving written notice to our Corporate Secretary by no later than the close of business (San Francisco Time) on February 21, 2020, and no earlier than January 22, 2020 (i.e., not less than 90 days nor more than 120 days prior to the first anniversary of the date of our 2019 Annual Meeting). The notice must contain information required by our Bylaws about the identity and background of each nominee and the shareholder making the nomination, including interests in derivative securities or arrangements with persons holding derivative securities, relationships or arrangements between the nominee and the shareholder making the nomination, and information that would enable the Board to determine a nominee's eligibility to serve as an independent director. The notice also must contain other information that must be disclosed in proxy solicitations for election of directors under the proxy rules of the SEC (including information regarding the director nominee's experience, qualifications, attributes and/or skills), the nominee's consent to the nomination and to serve if elected, and certain other information required by our Bylaws. If a shareholder fails to submit the notice by February 21, 2020, then the proposed nominee(s) of the shareholder will not be considered at our Annual Meeting in 2020 in accordance with our Bylaws. Notifications must be addressed to our Corporate Secretary at Gap Inc., Two Folsom Street, San Francisco, California 94105.

A copy of the full text of the Bylaw provisions relating to our advance notice procedure may be obtained at www.gapinc.com (follow the Investors, Governance links) or by any shareholder on request by writing to our Corporate Secretary at the above address.

QUALIFICATIONS AND DIVERSITY OF BOARD MEMBERS

All director nominees must possess certain core competencies, some of which include experience in retail, consumer products, international business/markets, real estate, store operations, logistics, product design, merchandising, marketing, general operations, strategy, human resources, technology, media or public relations, finance or accounting, or experience as a CEO or CFO. In addition to having one or more of these core competencies, director nominees are identified and considered based on knowledge, experience, integrity, leadership, reputation, background, viewpoint, qualifications, gender, race/ethnicity, personal characteristics, and ability to understand the Company's business, as well as their integrity, inclination to engage and intellectual approach. The Board believes that varying tenures and backgrounds create a balance between directors with a deeper knowledge of the Company's business, operations and history, and directors who bring new and fresh perspectives, and that this overall tenure, professional, personal, gender, and racial/ethnic diversity is important to the effectiveness of the Board's oversight of the Company. Accordingly, diversity is a factor that is considered in the identification and recommendation of potential director candidates. In this regard, of the twelve nominees for director, four are women and one is ethnically diverse. In addition, all director nominees are pre-screened to ensure that each candidate has qualifications and experience that complement the overall core competencies of the Board. The screening process also includes conducting a background evaluation and an independence determination. The Board believes that its criteria for selecting board nominees are effective in promoting overall diversity.

EVALUATION OF DIRECTORS

The Governance and Sustainability Committee is responsible for overseeing a formal evaluation process to assess the composition and performance of the Board, each committee, and each individual director on an annual basis. The assessment is conducted to identify opportunities for improvement and skill set needs, as well as to ensure that the Board, committees, and individual members have the appropriate blend of diverse experiences and backgrounds, and are effective and productive. As part of the process, each member completes a survey, or participates in an interview or other method the Committee utilizes to seek feedback. While results are aggregated and summarized for discussion purposes, individual responses are not attributed to any individual and are kept confidential to ensure honest and candid feedback is received. The Committee discusses opportunities and makes recommendations for improvement as appropriate to the full Board, which implements agreed upon improvements. The Committee Chair also meets privately with individual Board members to provide feedback specific to each director received during the evaluation process. A director will not be nominated for reelection unless it is affirmatively determined that he or she is substantially contributing to the overall effectiveness of the Board.

SUSTAINABILITY

The Governance and Sustainability Committee is also responsible for reviewing and evaluating Company programs, policies and practices relating to social and environmental issues and impact, and strategies to support the sustainable growth of the Company's businesses. The Committee regularly discusses social and environmental issues at its meetings, and oversees the Company's development of industry-leading programs and initiatives.

For more information regarding our commitment to sustainability, please see our website and most recent **Sustainability Report** available at www.gapinc.com (follow the Sustainability link).

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AUDIT AND FINANCE COMMITTEE

The Board's Audit and Finance Committee is composed solely of independent directors.

This Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of our financial statements, adequacy of internal controls, compliance with legal and regulatory requirements, the qualifications and independence of the registered public accounting firm and the performance of their audits, the performance of the Internal Audit function, the effectiveness of the corporate compliance program, finance matters, and such other duties as directed by the Board of Directors. In addition, the Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm.

The Committee's charter is available at www.gapinc.com (follow the Investors, Governance, Audit and Finance Committee Charter links).

AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that the Audit and Finance Committee has two members who are "audit committee financial experts" as determined under Regulation S-K Item 407(d)(5) of the Securities Exchange Act of 1934: Mr. Shattuck and Ms. Goren, both of whom are independent directors. See Mr. Shattuck's and Ms. Goren's biographies on pages 6-8 for information regarding their relevant experience.

COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE

The Board's Compensation and Management Development Committee is composed solely of independent directors.

This Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to executive officer and director compensation, succession planning for senior management, development and retention of senior management, and such other duties as directed by the Board of Directors.

The Committee's charter is available at www.gapinc.com (follow the Investors, Governance, Compensation and Management Development Committee Charter links).

The Committee approves all of the Company's executive compensation policies and programs and all compensation awarded to executive officers. Our CEO evaluates each executive officer and discusses with the Committee his assessment and recommendations for compensation. The CEO is not present during the Committee's deliberations about his own compensation. The Committee also oversees senior management development, retention, and succession plans. The Committee approves grants of stock units and stock options to employees at the Vice President level or above, and has delegated authority, within defined parameters, to the CEO or, in the CEO's absence, the Committee Chair to approve grants of stock units to employees below the Vice President level (see "Long-Term Incentives" beginning on page 30 for more details). The Committee has also delegated authority, within defined parameters, to the Company's Human Resources personnel to make certain non-material changes to the Company's employee benefit plans.

The Committee has engaged Frederic W. Cook & Co. as its independent executive compensation consultant. The consultant provides advice to the Committee from time to time on the compensation program structure and specific individual compensation arrangements (see the "Role of the CEO and Compensation Consultant" section on page 36 for more details). In addition, under NYSE rules, the Committee can only retain a compensation advisor after considering six independence factors: (a) whether the advisor's firm provides other services to the Company, (b) the fees received by the advisor's firm from the Company as a percentage of the firm's overall revenue, (c) the policies and procedures of the advisor's firm designed to prevent conflicts of interest, (d) any business or personal relationship between the advisor and a member of the Committee, (e) any stock of the Company owned by the advisor, and (f) any business or personal relationship of the advisor or advisor's firm with an executive officer of the Company. Based on a review of the Committee's relationship with its compensation consultant and an assessment considering these six independence factors, the Committee has identified no conflicts of interest and confirmed the independence of Frederic W. Cook & Co.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2018, Mr. Goldner (who is not standing for reelection), Mr. Martin, Mr. O'Neill, and Ms. Tsang (who did not stand for reelection in May 2018) served on the Compensation and Management Development Committee of the Board of Directors. No member of the Committee was at any time during fiscal 2018 or at any other time an officer or employee of the Company, and no member of the Committee had any relationship requiring disclosure under Item 404 of Regulation S-K. During fiscal 2018, none of our executive officers served on the board of directors or compensation committee of any company where one of that company's executive officers served as one of our directors.

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BOARD MEETINGS

The Board met seven times during fiscal 2018. The following table lists the current members of each of the committees and the number of committee meetings held during fiscal 2018:

Name	Audit & Finance	Compensation & Management Development	Governance & Sustainability
Amy Bohutinsky			
John J. Fisher			
Robert J. Fisher			Chair
William S. Fisher			
Tracy Gardner			
Brian Goldner (not standing for reelection)			
Isabella D. Goren			
Bob L. Martin		Chair	
Jorge P. Montoya			
Chris O'Neill			
Arthur Peck			
Lexi Reese			
Mayo A. Shattuck III	Chair		
Number of Meetings	**7**	**7**	**5**

Each director nominee attended at least 75% of the meetings of the Board and committees on which he or she served. In addition, individual Board members often work together and with management outside of formal meetings.

The non-management directors are typically scheduled to meet without the presence of management during each regularly scheduled Board meeting. Our Chairman, Robert Fisher, is responsible for organizing, managing and presiding over the non-management and independent director sessions of the Board, and reporting on outcomes of the sessions to the CEO, as appropriate.

ATTENDANCE OF DIRECTORS AT ANNUAL MEETINGS OF SHAREHOLDERS

Our policy regarding attendance by directors at our Annual Meeting of Shareholders states that our Chairman and committee chairs should attend and be available to answer questions at our Annual Meeting, if reasonably practicable. Our policy also encourages all other directors to attend. All of our current director nominees attended our 2018 Annual Meeting in person, with the exception of Ms. Bohutinsky and Ms. Reese, who both joined the Board of Directors in November 2018, after our 2018 Annual Meeting.

STOCK OWNERSHIP GUIDELINES FOR DIRECTORS

We have adopted minimum stock ownership guidelines for our directors. Each non-management director should, within three years of joining the Board of Directors, hold stock (which includes deferred stock units) of the Company worth at least five times the annual base retainer then in effect. Management directors are required to own stock of the Company in accordance with our stock ownership requirements for executives, described on page 34. Our Securities Law Compliance Manual, which is applicable to all company insiders, including our directors, prohibits speculation in the Company's stock, including short sales, hedging or publicly-traded option transactions, and holding the Company's stock in a margin account as collateral for a margin loan or otherwise pledging Company stock as collateral.

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Compensation of Directors

RETAINER AND MEETING FEES

The table below shows the annual retainer, attendance fees, and committee chair retainer we paid to our non-employee directors in fiscal 2018, as well as the amounts payable for fiscal 2019:

FISCAL YEAR 2018 AND 2019 DIRECTOR CASH COMPENSATION[(1)]

	2018	**2019**
Annual Retainer	$ 80,000	$ 80,000
Annual Retainer for Committee Members		
Audit and Finance Committee	16,000	16,000
Compensation and Management Development Committee	12,000	12,000
Governance and Sustainability Committee	8,000	8,000
Additional Annual Retainer for Committee Chairs		
Audit and Finance Committee	20,000	20,000
Compensation and Management Development Committee	20,000	20,000
Governance and Sustainability Committee	15,000	15,000
Additional Annual Retainer for Chairman of the Board	200,000	200,000

(1) Non-employee directors who reside primarily outside of North America receive an additional fee of $2,000 for each trip to the United States for Board and/or committee meetings.

Employee directors are not eligible for the annual retainer fees and are not eligible to serve on committees.

EQUITY COMPENSATION

Non-employee directors receive the following under our 2016 Long-Term Incentive Plan:

- Each new non-employee director automatically receives stock units with an initial value of $160,000 based on the then-current fair market value of the Company's common stock; and
- Each continuing non-employee director automatically receives, on an annual basis, stock units with an initial value of $160,000 at the then-current fair market value of the Company's common stock; provided that newly-appointed non-employee directors who were appointed after the Company's last annual shareholders' meeting will receive their first annual stock unit grant on a prorated basis based on the number of days that the director has served between his or her appointment and the date of the first annual stock unit grant.

The annual stock units granted to continuing non-employee directors following the Company's annual shareholders' meeting, as well as the initial grant made to any non-employee director who is first elected to the Board at the Company's annual shareholders' meeting, are granted on June 30 of each year; provided, however, that if the Company's annual shareholders' meeting takes place after June 30, then the related stock unit grants will be granted on the first business day following that meeting. All initial stock units to new non-employee directors who are appointed other than at the annual shareholders' meeting are granted on the date of appointment. The number of stock units is rounded down to the nearest whole share. These stock units are fully-vested but are subject to a three-year deferral period. During the deferral period, the stock units earn dividend equivalents which are reinvested in additional units annually. Following the deferral period, shares in an amount equal in value to the stock units, including units acquired through dividend equivalent reinvestment, will be issued to each non-employee director unless a further deferral election has been made; provided, however, that shares and accumulated dividend equivalents will be issued immediately upon ceasing to be a director of the Company.

EXPENSE REIMBURSEMENT AND OTHER BENEFITS

We also pay for or reimburse directors for approved educational seminars and for travel expenses related to attending Board, committee, and approved Company business meetings. Additionally, we provide non-employee directors access to office space and administrative support for Company business from time to time.

Directors and their spouses are eligible to receive discounts on our merchandise on terms similar to the Gap Inc. corporate employee merchandise discount policy.

We established The Gap, Inc. Deferred Compensation Plan (“DCP”) whereby highly compensated employees, including executive officers and non-employee directors, may elect to defer receipt of certain eligible income. The DCP allows eligible employees to defer a percentage of their salary and bonus on a pre-tax basis, and allows non-employee directors to defer their retainers and meeting fees. The deferred amounts are indexed to reflect the performance of the participant’s choice of approved investment funds. Non-employee director deferrals are not matched, and above-market or preferential interest rate options are not available on deferred compensation.

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Directors are eligible to participate in our Gift Match Program available to all employees, under which we match contributions to eligible nonprofit organizations, up to certain annual limits. In calendar year 2018, the annual limit for non-employee directors was $15,000 under the Gift Match Program. Art Peck, our CEO, had an annual matching limit of $100,000.

DIRECTOR COMPENSATION SUMMARY

The following table sets forth certain information regarding the compensation of our directors in fiscal 2018, which ended February 2, 2019.

Name[(1)]	Fees Earned or Paid in Cash ($)	Stock Awards ($)[(2)]	Option Awards ($)[(3)]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)[(4)]	Total ($)
Amy Bohutinsky	20,000	159,993	0	0	500	180,493
John J. Fisher	20,000	159,993	0	0	0	179,993
Robert J. Fisher	303,000	159,974	0	0	15,000	477,974
William S. Fisher	80,000	159,974	0	0	15,000	254,974
Tracy Gardner	84,000	159,974	0	0	0	243,974
Brian Goldner	92,000	159,974	0	0	0	251,974
Isabella D. Goren	96,000	159,974	0	0	10,000	265,974
Bob L. Martin	120,000	159,974	0	0	10,000	289,974
Jorge P. Montoya	106,000	159,974	0	0	10,000	275,974
Chris O’Neill	89,000	223,939	0	0	4,100	317,039
Lexi Reese	20,000	159,993	0	0	0	179,993
Mayo A. Shattuck III	124,000	159,974	0	0	15,000	298,974
Katherine Tsang	48,000	0	0	0	0	48,000

(1) Ms. Tsang did not stand for reelection on May 22, 2018.
Mr. Peck was compensated as our CEO and received no additional compensation as a director. Mr. Peck’s compensation is reported in the Summary Compensation Table and related executive compensation tables, beginning on page 38.

(2) This column reflects the aggregate grant date fair value for stock unit awards during fiscal 2018, computed in accordance with FASB ASC 718. All stock awards reported in this column were granted in fiscal 2018. The following directors had outstanding stock unit awards as of fiscal 2018 year-end: Ms. Bohutinsky (5,867), Mr. John J. Fisher (5,867), Mr. Robert Fisher (18,812), Mr. William Fisher (18,812), Ms. Gardner (16,408), Mr. Goldner (16,959), Ms. Goren (18,812), Mr. Martin (18,812), Mr. Montoya (18,812), Mr. O’Neill (6,960), Ms. Reese (5,867), and Mr. Shattuck (26,734). For the period during which the payment of these awards is deferred (see page 15), they will earn dividend equivalents which are reinvested in additional units annually. Please refer to Note 10, “Share-Based Compensation,” in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K filed on March 19, 2019 for the relevant assumptions used to determine the valuation of our stock awards.

(3) No stock options were granted to our directors in fiscal 2018. None of our non-employee directors had outstanding option awards as of fiscal 2018 year-end.

(4) Amounts in this column consist of Company matching contributions under the Company’s Gift Match Program (see “Expense Reimbursement and Other Benefits,” on page 15).

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PROPOSAL NO. 2 — RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit and Finance Committee of the Board of Directors has selected Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending February 1, 2020. Deloitte & Touche LLP (or its predecessor firm) has been retained as our independent registered public accounting firm since 1976. If shareholders fail to ratify the selection of Deloitte & Touche LLP, the Audit and Finance Committee will reconsider the selection. If the selection of Deloitte & Touche LLP is approved, the Audit and Finance Committee, in its discretion, may still direct the appointment of a different independent auditing firm at any time and without shareholder approval if the Audit and Finance Committee believes that such a change would be in the best interests of the Company and our shareholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE “**FOR**” THE SELECTION OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

Representatives of Deloitte & Touche LLP are expected to be present, available to make statements, and available to respond to appropriate shareholder questions at the Annual Meeting.

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Principal Accounting Firm Fees

The following table sets forth the aggregate fees paid and accrued by us for audit and other services for the fiscal years ended February 2, 2019 and February 3, 2018 that were provided by our principal accounting firm, Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu Limited, and their respective affiliates (collectively “Deloitte & Touche”).

FISCAL YEAR 2018 AND 2017 ACCOUNTING FEES

Fees (see notes below)	Fiscal Year 2018	Fiscal Year 2017
Audit Fees	$5,185,400	$5,046,200
Audit-Related Fees	208,521	226,396
Tax Fees	941,700	984,400
All Other Fees	86,895	7,392
Total	$6,422,516	$6,264,388

“**Audit Fees**” consists of fees for professional services rendered in connection with the integrated audit of our consolidated annual financial statements and internal controls over financial reporting, the review of our interim condensed consolidated financial statements included in quarterly reports, and the audits in connection with statutory and regulatory filings or engagements.

“**Audit-Related Fees**” consists primarily of fees for professional services rendered in connection with the audit of our employee benefit plans, audit procedures required by store leases and capital verification reports.

“**Tax Fees**” consists of fees billed for professional services rendered for tax compliance and tax advice. These services include assistance regarding federal, state and international tax compliance, and competent authority proceedings.

“**All Other Fees**” consists of Deloitte subscription fees.

The Audit and Finance Committee approves the terms, including compensation, of the engagement of our independent registered public accounting firm on an annual basis, and has a policy requiring pre-approval of all services performed by the firm. This policy requires that all services performed by Deloitte & Touche, whether audit or non-audit services, must be pre-approved by the Audit and Finance Committee or a designated member of the Audit and Finance Committee, with any such services reported to the entire Audit and Finance Committee at the next scheduled meeting.

Rotation

The Audit and Finance Committee periodically reviews and evaluates the performance of Deloitte & Touche’s lead audit partner, oversees the required five-year rotation of the lead audit partner responsible for our audit and, through the Committee’s Chair as representative of the Audit and Finance Committee, reviews and considers the selection of the lead audit partner. In addition, the Audit and Finance Committee periodically considers whether there should be a rotation of the independent registered public accounting firm. At this time, the Audit and Finance Committee and the Board believe that the continued retention of Deloitte & Touche to serve as our independent registered public accounting firm is in the best interests of the Company and our shareholders.

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Report of the Audit and Finance Committee

The Audit and Finance Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the Company's financial statements, the adequacy of internal controls, compliance with legal and regulatory requirements, the qualifications and independence of the independent registered public accounting firm and the performance of their audits, the performance of the Internal Audit function, the effectiveness of the corporate compliance program, finance matters, and such other duties as directed by the Board of Directors. The Committee operates under a written charter (available at www.gapinc.com, follow the Investors, Governance, Audit and Finance Committee Charter links) adopted by the Board of Directors. The Committee is composed exclusively of directors who are independent under New York Stock Exchange listing standards and Securities and Exchange Commission rules.

The Committee has reviewed and discussed the audited financial statements of the Company for the fiscal year ended February 2, 2019 with the Company's management. In addition, the Committee has discussed with Deloitte & Touche LLP, the Company's independent registered public accounting firm, the matters required to be discussed by the applicable Public Company Accounting Oversight Board and Securities and Exchange Commission requirements.

The Committee also has received the communications, including written disclosures and the letter from Deloitte & Touche LLP, required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Committee concerning independence, and the Committee has discussed the independence of Deloitte & Touche LLP with that firm.

Based on the Committee's review and discussions noted above, the Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2019 for filing with the Securities and Exchange Commission.

Mayo A. Shattuck III (Chair)
Tracy Gardner
Isabella D. Goren
Jorge P. Montoya

Notwithstanding anything to the contrary in any of the Company's previous or future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate this Proxy Statement or future filings with the Securities and Exchange Commission, in whole or in part, this report shall not be deemed to be incorporated by reference into any such filing.

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PROPOSAL NO. 3 — ADVISORY VOTE ON THE OVERALL COMPENSATION OF THE GAP, INC.'S NAMED EXECUTIVE OFFICERS

Pursuant to Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company is providing shareholders with an advisory (non-binding) vote on the overall compensation of our named executive officers. Accordingly, the following resolution will be submitted for a shareholder vote at the 2019 Annual Meeting:

"RESOLVED, that the shareholders of The Gap, Inc. (the "Company") approve, on an advisory basis, the overall compensation of the Company's named executive officers, as described in the Compensation Discussion and Analysis section, the accompanying compensation tables, and the related narrative disclosure pursuant to Item 402 of Regulation S-K, set forth in the Proxy Statement for this Annual Meeting."

The Board and the Compensation and Management Development Committee, which is comprised entirely of independent directors, will consider the outcome of the shareholders' non-binding advisory vote when making future executive compensation decisions.

As described in detail under the section entitled "Compensation Discussion and Analysis," our executive compensation program is designed to provide the level of compensation necessary to attract and retain talented and experienced executives, and to motivate them to achieve short-term and long-term goals, thereby enhancing shareholder value and creating a successful company. We are committed to tie pay to performance and continue to believe our executive compensation program meets each of our compensation objectives.

We were pleased to have received approximately 98% of all votes cast in support of the overall compensation of our executives at our 2018 Annual Meeting of Shareholders. The Compensation and Management Development Committee continued to apply the same philosophy and protocol it used in prior years to determine fiscal 2018 compensation. In addition, as described on page 25, we have several compensation governance programs in place to manage compensation risk and align the Company's executive compensation with long-term shareholder interests.

Shareholders are encouraged to read the "Compensation Discussion and Analysis" section of this Proxy Statement, the accompanying compensation tables, and the related narrative disclosures, which more thoroughly discuss how our compensation policies and procedures implement our compensation philosophy.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE TO APPROVE, ON AN ADVISORY BASIS, THE OVERALL COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS BY VOTING "**FOR**" THIS RESOLUTION.

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EXECUTIVE COMPENSATION **AND RELATED INFORMATION**

Compensation Discussion and Analysis

This Compensation Discussion & Analysis explains the key elements of our executive compensation program and compensation decisions for our named executive officers ("Executives"). The Compensation and Management Development Committee of our Board of Directors (the "Committee") oversees these programs and determines compensation for our Executives.

INTRODUCTION

In this Compensation Discussion and Analysis, we discuss the following:

EXECUTIVE SUMMARY

In fiscal 2018, we continued to execute against our Balanced Growth Strategy, which focuses on leveraging our iconic brands and significant scale to deliver sustainable growth by investing strategically while also maintaining our operating expense discipline through our productivity initiative. At a glance:

The Transformation of our Operating Model and Balanced Growth Strategy

In 2018 our strategic pillars included:

Offering products that are consistently brand-appropriate and on-trend with high customer acceptance,

Investing in technology to support growth,

Creating a unique and differentiated shopping experience that attracts new customers and builds loyalty, with focus on both the physical and digital expressions of our brands,

Increasing productivity by leveraging our scale and streamlining operations and processes throughout the organization,

Continuing to integrate social and environmental sustainability into businesses to support long term growth, and

Attracting and retaining great talent in our businesses and functions.

During the year, we hired Neil Fiske as President and CEO of Gap brand, who brings extensive retail and apparel leadership experience and a strong track record of transforming and repositioning brands. Prior to hiring Mr. Fiske, Brent Hyder served as Interim President and CEO of Gap brand in addition to Chief People Officer, Gap Inc.

Subsequent Events

On February 28, 2019, the Company announced plans to restructure the specialty fleet and revitalize the Gap brand, including closing about 230 Gap specialty stores during fiscal 2019 and fiscal 2020.

On February 28, 2019, the Company announced that its Board of Directors approved a plan to separate the Company into two independent publicly-traded companies: Old Navy and a yet-to-be-named company, which will consist of Gap, Athleta, Banana Republic, Intermix, and Hill City.

On March 4, 2019, we also announced the acquisition of premium kids and baby apparel retailer, Janie and Jack. The acquisition complements our portfolio and provides us with an opportunity to expand into the fast-growing premium kids and baby market.

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EXECUTIVES

Arthur Peck, President & Chief Executive Officer, Gap Inc.	**Teri List-Stoll**, Executive Vice President & Chief Financial Officer, Gap Inc.	**Mark Breitbard**, President & Chief Executive Officer, Banana Republic	**Neil Fiske**, President & Chief Executive Officer, Gap	**Brent Hyder**, Chief People Officer, Gap Inc.

Business Performance & Pay

During 2018, Old Navy and Athleta continued to grow market share, Banana Republic delivered comparable sales growth with improved operating margin, and Gap brand made progress in refining its strategy and operating model.

At Old Navy, broad-based strength across nearly every merchandise category, new store growth, new omni channel capabilities, and customer experience enhancements helped drive comparable sales growth.

Banana Republic continued its turnaround trends, delivering positive comparable sales growth for the year, with improved productivity and reduced promotional levels driving operating margin expansion.

At Gap brand, while operational and executional missteps pressured performance during the year, the new leadership team focused on stabilization and operational discipline, driving sequential improvement in merchandise margin throughout the year.

We continue to see significant growth at Athleta, outpacing the industry while also delivering operating margin expansion.

Pay for Performance

For fiscal 2018, despite strong performance against our operating model transformation goals, we applied a discretionary reduction to annual bonus payouts in light of business performance, which was below expectations. Consistent with our philosophy of aligning Executive pay to performance, annual bonuses paid were at 0 – 55% of target for all Executives, except Mr. Fiske, who received a guaranteed target bonus, prorated based on his hire date, as part of his employment agreement.

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Our Long-Term Growth Program ("LGP") awards with a 2016-2018 performance period paid out at 70% of target for Mr. Peck. For our 2018-2020 LGP awards, based on our fiscal 2018 performance, if target is achieved in future periods, the actual awards earned would not exceed the target shares for any of the executives, demonstrating alignment of Executive pay to performance.

LISTENING TO OUR SHAREHOLDERS

Our Committee is comprised solely of experienced independent directors and has established effective means for communicating with shareholders. Our shareholders also have the opportunity to cast a non-binding advisory vote on executive compensation at our Annual Meeting.

The Committee is very interested in the ideas and any concerns of our shareholders regarding executive compensation. An advisory vote on executive compensation was presented to our shareholders at last year's Annual Meeting and approved by 98% of shareholder votes, consistent with prior favorable advisory votes by our shareholders on executive compensation. In evaluating our compensation practices in fiscal 2018, the Committee was mindful of the support our shareholders expressed for the Company's philosophy of linking compensation to operational objectives and the enhancement of shareholder value. As a result, the Committee retained its approach to executive compensation, and continued to apply the same general principles and philosophy as in the prior fiscal year in determining executive compensation and made no material structural changes during fiscal 2018. We also continue to put executive compensation to an advisory shareholder vote annually.

CEO COMPENSATION SUMMARY

The structure of our CEO's ongoing compensation package is similar to our other Executives. The package is intended to reward him for sustained improvement of the Company's financial performance and returns to shareholders while helping to promote alignment of interests across the executive team. The Committee based its determination on the same factors outlined under "Compensation Analysis Framework" below. Most of Mr. Peck's total ongoing compensation opportunity (excluding one-time actions) requires achievement of performance goals or share price appreciation. Mr. Peck receives similar benefits and limited perquisites as our other Executives, except that he is provided limited personal use of a Company airplane. The package is described more fully below:

Base salary was increased by 12.7% to $1,550,000 to improve competitiveness, position Mr. Peck appropriately relative to our other executives, and promote retention.

Annual bonus target remained unchanged at 175% of base salary and based 50% on financial performance and 50% on achievement against operating model transformation goals. For fiscal year 2018, despite strong performance against our operating model transformation goals, Mr. Peck volunteered to forgo his bonus in light of business financial performance and the Committee used discretion to reduce it to zero.

Say On Pay–

98% APPROVAL

At the 2018 Annual Meeting, shareholders were very supportive of the structure and philosophy of our pay program during fiscal 2017. Consequently, we made no material structural changes during fiscal 2018. We continued to set rigorous goals and align pay delivery with performance.

CEO Pay – Total Reported & Realized Pay[(1)]

Mr. Peck's pay since appointment to CEO on February 1, 2015 (2015 – 2018) is set forth below:

$12,857,022

Average Annual Reported Pay

$4,748,226

Average Annual Realized Pay

(1) Average Annual Reported Pay is derived from the Summary Compensation Table on page 38, as well as the Summary Compensation Tables contained in our 2016-2018 proxy statements. Realized Pay is compensation actually received by the CEO, including salary, net spread on stock option exercises, vested full value awards, and all other compensation amounts realized during the period. For comparison purposes, Realized

Pay includes annual incentive payouts for the year earned as in Reported Pay. Realized Pay excludes the value of unearned and unvested performance shares, including outstanding LGP awards, which will not actually be received, if earned, until a future date.

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We granted multi-year performance shares to Mr. Peck under the LGP. For LGP shares granted in 2016 to Mr. Peck, based on financial performance during fiscal years 2016 – 2018, 155,636 shares, or 70% of the target amount, were earned based on strong financial performance in 2017 and despite below target financial performance in 2016 and 2018. This further demonstrates alignment of executive pay to performance.

In March 2018, we granted stock options, with an exercise price of $32.23, to Mr. Peck covering 500,000 shares, which will vest over a four-year period, subject to continued service through each vesting date. Our stock price must increase significantly for the stock options to create any value for Mr. Peck.

As the Company is in a critical phase within its transformation, the Committee, in consultation with the Board of Directors, determined it was crucial to retain Mr. Peck as well as increase his ownership stake in the Company to create further alignment with shareholder interests. In light of this, we granted restricted stock units to Mr. Peck covering 345,303 shares as further described on page 33. The stock units cliff vest 100% after 3 years, and he must hold the net shares issued upon vesting for an additional year. In addition, to further ensure Mr. Peck retains a substantial ownership position, he has agreed not to sell, transfer, assign, pledge, hedge, or otherwise encumber any shares of common stock of the Company, whether currently owned or acquired through the Company's stock programs, until June 1, 2021, subject to limited exceptions. This is a one-time action, and we do not expect to make similar grants to Mr. Peck in the future.

The chart below shows the proportion of each component of our CEO's fiscal 2018 compensation, as reported in the Summary Compensation Table on page 38, the majority of which is weighted toward incentive compensation tied to rigorous goals and aligned with the long-term return to shareholders.

FISCAL 2018 CEO COMPENSATION

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COMPENSATION GOVERNANCE

Overall, we believe that our executive compensation program met each of our compensation objectives and continues to demonstrate our strong commitment to pay for performance. The table below highlights key compensation practices – both the practices we believe support strong governance principles and the practices we have not implemented because we do not believe they would serve our shareholders' long-term interests.

What we do

Pay for Performance
We tie pay to performance. Our ongoing compensation programs are heavily weighted toward performance with limited perquisites.

Tally Sheets
We review tally sheets, which are intended to summarize key elements of total compensation and potential wealth accumulation, for our Executives prior to making annual compensation decisions.

Recoupment Policy
We have an incentive compensation recoupment ("clawback") policy covering our Executives.

Culture of Ownership
We have executive stock ownership requirements which we review on a regular basis and revise as needed.

No Hedging
We prohibit Executives from engaging in any hedging or publicly-traded derivative transactions in Company stock.

No Pledging
We prohibit Executives from pledging Company stock as collateral for a loan or for any other purpose.

Independent Compensation Consultant
The Committee utilizes an independent compensation consulting firm, Frederic W. Cook & Co., Inc. The firm does not provide any other services to the Company.

Maximum Award Amounts
The Committee establishes caps on incentive payouts with an appropriate balance between long-term and short-term objectives.

What we don't do

No Long-Term Employment Agreements with Guarantees
We do not have employment contracts of defined length with our Executives or multi-year guarantees for base salary increases, bonuses or equity compensation.

No Golden Parachute Tax Gross-Ups
None of our Executives are entitled to tax gross-up payments other than for relocation and international assignment related payments or services that are business-related and also generally available to other employees.

No Repricing or Cash-out of Underwater Options
We have not repriced or cashed-out underwater stock options nor are we able to do so without shareholder approval.

No SERP or Executive Pension Plan
We do not have a supplemental executive retirement plan ("SERP") or executive pension plan.

No Change in Control Severance Arrangements or Single Trigger
We do not have severance arrangements specific to a change in control or provide for single trigger vesting.

No Material Compensation Risk
We do not have incentive compensation arrangements for Executives that create potential material risk for the Company, based on a risk assessment conducted by the Company.

No Dividends on Unearned Performance
Awards We do not pay dividends on unearned performance awards.

COMPENSATION OBJECTIVES

Our compensation program is intended to align total compensation for executives with the short and long-term performance of the Company, while enabling us to attract and retain executive talent. Specifically, the program is designed to:

- Support a performance-oriented culture;
- Support our business strategy by motivating and rewarding achievement of short and long-term objectives, as well as individual contributions;
- Attract and retain executive talent;
- Link executive rewards to shareholder returns; and
- Promote a culture of executive stock ownership.

Our program rewards executives for the achievement of corporate and divisional financial and non-financial objectives, for their individual contributions to these results, and for optimizing long-term returns to shareholders. The majority of each executive’s total compensation opportunity is weighted toward incentive compensation tied to the financial performance of the Company and aligned to the long-term return to our shareholders. When we do not achieve targeted performance levels and/or our stock price does not appreciate, compensation that can be realized by our executives is substantially reduced. When we exceed targeted performance levels and/or our stock price appreciates, compensation that can be realized by our executives is substantially increased. We believe that this is the most effective means of aligning executive pay with our shareholders’ interests.

ELEMENTS OF COMPENSATION

The main elements of our executive compensation program are:

- Base salary;
- Annual cash incentive bonus;
- Long-term incentives; and
- Benefits and limited perquisites.

We have chosen these elements because we believe each supports achievement of one or more of our compensation objectives, and that together they have been and will continue to be effective in this regard. The use and weight of each compensation element is based on the judgment of the Committee regarding the importance of each compensation objective in supporting our business and talent strategies, as well as the structure of these elements for executives at other companies. Base salary, benefits and perquisites represent less than half of each Executive’s potential compensation at target performance levels, to emphasize the importance of performance-based compensation.

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BASE SALARY

Base salaries are set at a level that the Committee believes will effectively attract and retain top talent, considering the factors described below under “Compensation Analysis Framework.” In addition, the Committee considers the impact of base salary changes on other compensation components where applicable. The Committee reviews base salaries for Executives in the first fiscal quarter, and as needed in connection with promotions or other changes in responsibilities. The table below summarizes base salaries during fiscal 2018, and changes that occurred during the year.

Name	Base Salary on 2/3/2018	Base Salary on 2/2/2019	Comments
Arthur Peck	$ 1,375,000	$1,550,000	Salary was increased in March 2018 as part of the annual review to improve competitiveness and position Mr. Peck appropriately relative to other executives, as well as to promote retention as further described on page 33.
Teri List-Stoll	$ 875,000	$ 925,000	Salary was increased in March 2018 as part of the annual review in light of expanded responsibilities and to improve competitiveness as well as to position Ms. List-Stoll appropriately relative to other executives.
Mark Breitbard	$ 950,000	$ 950,000	
Neil Fiske	N/A	$ 950,000	Mr. Fiske joined the Company in June 2018 as President & CEO, Gap.
Brent Hyder	$ 600,000	$ 700,000	Salary was increased in March 2018 as part of the annual review in light of expanded responsibilities and to improve competitiveness as well as to position Mr. Hyder appropriately relative to other executives.

ANNUAL CASH INCENTIVE BONUS

Fiscal 2018 Annual Bonus

In setting the fiscal 2018 annual bonus structure, the Committee considered our business and talent priorities, as well as the factors described below under “Compensation Analysis Framework.” We determined that there was a continued need to incent achievement of objectives related to our transformation initiatives and balanced growth strategy, in addition to our financial objectives, to successfully position the Company for long-term success. To support this goal, the Committee approved continuation of the existing annual cash incentive structure, which equally emphasizes financial results for the fiscal year and accomplishments related to our operating model transformation and balanced growth strategy. In addition, measurement of objectives related to our operating model transformation and balanced growth strategy were measured at the company level to enhance collaboration across the organization. However, the underlying objectives continue to be a priority for the organization. The table below describes the target annual bonus and potential payout range for each Executive. The annual incentive bonus was based on two components:

1. *Financial Performance Component*. 50% of the total opportunity was based on the financial performance of the Company or a division of the Company (of this, 75% was based on earnings, given the importance of accountability for operating results, and 25% on net sales, to drive top-line focus).
2. *Operating Model Transformation Component*. 50% of the total opportunity was based on achievement against the operating model transformation goals of the Company.

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Name	**Target Percentage of Base Salary**	**Potential Payout Range as a Percentage of Target**
Arthur Peck	175%	0 – 200%
Teri List-Stoll	100%	0 – 200%
Mark Breitbard	125%	0 – 200%
Neil Fiske	125%	0 – 200%
Brent Hyder	80%	0 – 200%

Bonus payments are generally made under the Executive Management Incentive Compensation Award Plan ("Executive MICAP"), which has been approved by our shareholders. For fiscal 2018, the Committee set a minimum performance goal that needed to be achieved before payment of any bonus. Satisfaction of this goal established the maximum bonus that could be paid to each Executive (equal to the maximum set forth in the table above), subject to downward adjustment by the Committee based on achievement of the financial and transformation goals and other factors determined by the Committee in its sole discretion. For fiscal 2018, this goal was positive net income, as adjusted for certain objective and nondiscretionary items relating to changes in accounting principles, acquisitions and dispositions, employee termination benefits, termination of real estate leases, legal claims, and certain business interruptions, as applicable. The Committee determined that this minimum performance goal for fiscal 2018 had been achieved. The Committee then used negative discretion to determine the actual payout to each Executive based on performance against the financial and transformation goals as described below, as well as a qualitative assessment of individual performance. Actual bonuses were paid in March 2019.

Financial Performance Component

The Committee approves threshold, target and maximum performance goals at the beginning of each performance period. Payouts are made under the financial performance component only if threshold goals are achieved.

Bonuses for fiscal 2018 financial performance were based on earnings before interest and taxes ("earnings"), weighted 75%, and net sales, weighted 25%. Earnings and net sales were used to measure both Company and division performance, in both cases subject to potential adjustment for certain pre-established items that are unusual in nature or infrequently occur. The earnings measure was selected for fiscal 2018 and weighted more heavily because the Committee believed that earnings should continue to be a primary focus of Executives and is a good measure of actual operating performance within their control and accountability. The net sales measure is intended to drive top-line focus and to promote continued market share growth. Measuring both earnings and net sales diversifies performance metrics, and we believe it provides an appropriate balance between cost management and top line performance.

The following table shows fiscal 2018 earnings and net sales goals expressed as a percentage of fiscal 2017 actual results. Goals for fiscal 2018 were set at realistic levels given our expected performance at the time they were established and were intended to provide a meaningful incentive for Executives to improve performance. Also shown are the actual weighted percentages achieved expressed as a percentage of fiscal 2017 actual results after adjustments to exclude any restructuring costs. No other adjustments to the results were made other than neutralization of foreign exchange rate fluctuations.

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Name	Company / Division	2018 Earnings / Net Sales Goals as a Percentage of Fiscal 2017 Actual Earnings / Net Sales Threshold	Target	Maximum	Actual Fiscal 2018 Percentage Achieved After Adjustments Earnings	Net Sales
Arthur Peck	Gap Inc.	94.1% / 100.6%	105.6% / 103.6%	120.5% / 104.6%	88.0 %	101.1 %
Teri List-Stoll	Gap Inc.	94.1% / 100.6%	105.6% / 103.6%	120.5% / 104.6%	88.0%	101.1%
Mark Breitbard	Banana Republic	111.1% / 97.8%	126.2% / 100.3%	151.5% / 101.3%	125.4 %	99.0 %
Neil Fiske	Gap Global	N/A(1) / 98.6%	N/A(1) / 101.0%	N/A(1) / 102.0%	N/A	94.0%
Brent Hyder	Gap Inc.	94.1% / 100.6%	105.6% / 103.6%	120.5% / 104.6%	88.0 %	101.1 %

(1) Starting in 2018, management reporting was changed to include fully allocated headquarters expense, which resulted in Gap brand earnings below zero. Therefore, the 2018 earnings growth calculation does not reflect a meaningful result.

(2) 2017 sales and earnings have been restated for changes to revenue recognition standards and allocation methodology updates.

Operating Model Transformation Component

Executives were eligible to receive bonuses based on achievement of seven operating model transformation goals in four areas critical to the long-term success of the Company, including 1) our product operating model; 2) customer acquisition, retention and engagement; 3) productivity, and 4) talent. Goals were measured at the company level and were weighted equally, with maximum achievement set at 175% for this component.

Individual Performance Adjustment

Prior to determining the final bonus payout for each Executive, individual performance is assessed to determine if an adjustment is warranted. The CEO makes recommendations to the Committee for adjustments, if any, for Executives that report to him, and the Committee decides whether any adjustment is warranted for the CEO in a private session. In assessing each Executive's individual performance, any additional initiatives outside those described above, challenges that the Executive faced over the course of the year, and financial performance are considered in determining final payouts.

Actual Bonuses

For fiscal 2018, performance against the operating model transformation goals applicable to each Executive was at the maximum level. We observed notable progress against our FY18 transformation goals. In 2018, all of our brands leveraged responsive capabilities that allowed us to test new products and adjust investments and exceed customer expectations, our customer database grew, we continue to evaluate price architecture across categories and identify opportunities to improve yield, we identified significant expense savings as part of our productivity goal outlined in our balanced growth strategy and we continue to leverage a talent management and succession planning process in every business and function. Despite notable progress, performance against the earnings and net sales goals applicable to each Executive was below target levels for all Executives. The Committee considered overall business performance and financial results that did not meet expectations and in order to appropriately align pay with performance, applied a discretionary reduction to bonus payouts. Mr. Peck volunteered to forgo his bonus and the Committee used discretion to reduce it to zero.

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The following table describes the calculation of the actual bonus for fiscal 2018 for each eligible Executive.

Name	Base Salary[1]	x	Target Percentage of Base Salary	x (	Actual Percentage Achieved: Financial Performance Component[2]	x	Weight	+	Transformation Component[2]	x	Actual Percentage Achieved: Weight)	=	Funded Bonus	-	Negative Discretion	=	Actual Bonus
Art Peck	$1,526,439	x	175%	x (	9%	x	50%	+	175%	x	50%)	=	$2,464,193	-	$2,464,193	=	$0
Teri List-Stoll	$ 918,267	x	100%	x (	9%	x	50%	+	175%	x	50%)	=	$ 847,084	-	$ 654,152	=	$192,932
Mark Breitbard	$949,998	x	125%	x (	87%	x	50%	+	175%	x	50%)	=	$1,556,194	-	$900,555	=	$655,639
Neil Fiske[3]	$ 595,053	x	125%	x (	N/A	x	50%	+	N/A	x	50%)	=	N/A	-	N/A	=	$743,819
Brent Hyder	$686,537	x	80%	x (	9%	x	50%	+	175%	x	50%)	=	$506,654	-	$391,258	=	$115,396

(1) Base salaries are prorated based on any changes during the fiscal year.
(2) Actual percentages achieved are rounded for presentation.
(3) Mr. Fiske received an annual bonus guaranteed at the target amount, prorated for the time he was in the role during the fiscal year.

LONG-TERM INCENTIVES

Stock-based long-term incentives align executive compensation and shareholder returns. Unlike some of the members of our peer group, we do not have a pension plan, and we rely on long-term incentives to provide a substantial percentage of each Executive's potential retirement savings. Long-term incentives have typically consisted of stock options, stock units or performance shares. We have a mix of different grant types for executives to balance performance focus and potential compensation-related risk, but at least half of our regular annual grant value is intended to be in the form of performance shares for performance-based long-term pay delivery and shareholder value alignment.

It has been our practice to grant long-term incentives to Executives on an annual basis, usually in the first quarter of each fiscal year. This timing was selected because it follows the release of our annual financial results and completion of annual compensation reviews. We also grant long-term incentives on other dates to newly hired Executives and periodically in connection with promotions or for special recognition and retention. Grants are typically approved by the Committee at a meeting and are effective on the meeting date. However, the effective date for new hires is no earlier than the first day of employment. Stock-based awards are granted under our 2016 Long-Term Incentive Plan, which was approved by our shareholders.

In determining the long-term incentive structure and award amounts, the Committee considered the factors described below under "Compensation Analysis Framework," including a review of market data for comparable positions and each individual's accumulated vested and unvested awards, current and potential realizable value over time using stock appreciation assumptions, vesting schedules, comparison of individual awards between Executives and in relation to other compensation elements, shareholder dilution and accounting expense.

Stock Options

We believe stock options focus Executives on managing the Company from the long-term perspective of an owner. Stock options provide value to the recipient only if the price of our stock increases. All stock options granted to employees during fiscal 2018 had an exercise price equal to the closing price of our stock on the date of grant. The stock option grants received by our Executives are described in more detail in the Grants of Plan-Based Awards table on page 41.

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Stock options typically vest based on continued service at a rate of 25% annually beginning one year from the grant date, which we have determined helps meet our retention objectives. We have also used other vesting schedules to align with timing of compensation being forfeited at a prior employer for new hires or to align with critical retention periods. Stock options are typically granted with a maximum term of ten years, and vested options are normally exercisable for three months following employment termination. Vesting is generally accelerated upon death, disability or retirement if the stock options are held for at least one year.

Stock Units and Performance Shares

A portion of long-term incentives is delivered in units representing full-value shares of our stock to drive performance, promote retention and foster a long-term ownership perspective. Unlike stock options, full-value share awards, in combination with stock ownership requirements, subject Executives to the same downside risk experienced by shareholders but still encourage retention if our stock price does not appreciate, and help to focus Executives on sustaining the value of the Company. In general, we believe the grant or vesting of a significant percentage of full-value shares for Executives should be based on performance against annual or long-term objectives unless they are made to offset compensation from prior employment in the case of new hires. However, to balance our performance, retention, and ownership objectives, in the past we have granted stock units or other full-value shares that vest only for continued service with the Company, and we may do so in the future. The stock unit grants received by our Executives are described in more detail in the Grants of Plan-Based Awards table on page 41.

Stock units that are granted to Executives other than the CEO are normally scheduled to vest over three or four years, although the schedule may differ based on critical retention or performance periods, or the vesting of compensation being forfeited at a prior employer for new hires. Executives generally must be employed on the vesting date or awards are forfeited. Vesting is generally accelerated upon death, disability or retirement if the awards are held for at least one year and any performance conditions have been previously satisfied. Additional circumstances under which vesting of long-term incentives may be accelerated are described on pages 48-49 of this Proxy Statement.

LGP (Long-Term Growth Program)

Executives are eligible to participate in the LGP, which is intended to promote sustained improvement in financial performance and long-term value creation for shareholders, while recognizing the inherent difficulty in setting long-term performance goals in the volatile retail industry. The key features of the program are described below:

Each Executive is eligible to receive an annual performance share award. Performance shares give the Executive the right to receive a number of shares of our stock based on achievement against performance goals during a specified three-year performance period, subject to certain service requirements. Actual shares paid out, if any, will vary based on achievement of the performance goals.

The number of actual shares that an Executive may earn after the end of three years is based on two performance metrics: (i) average attainment of separate annual earnings goals that are established each year over three years, measured at the division level for those with division responsibilities and the corporate level for those with Company-wide responsibilities, and (ii) attainment of a three-year cumulative Company earnings goal set at the beginning of the same three-year period. The potential payout range as a percentage of the target award based on average annual earnings attainment is 0% to 250%. The award is modified up or down by up to 20% (for a maximum opportunity of 300% of target) based on the level of attainment of the cumulative Company earnings goal.

50% of the award is payable at the end of the three-year performance period, generally subject to continued service with the Company through the date that the Committee determines the number of shares that are earned, if any, and the remaining 50% will vest on the one-year anniversary of such determination date based on continued service with the Company.

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The table below describes the potential payout range as a percentage of the target award for the fiscal 2018-2020 performance period. The target number of shares was determined using our closing stock price on the date of grant and a percentage of base salary. Mr. Fiske joined the Company in June 2018 as President & CEO, Gap brand and received a prorated LGP grant for fiscal 2018. The performance share grants represent only an opportunity to earn actual shares of our stock for achievement of performance goals over three years. The associated amount listed in the Summary Compensation Table under Stock Awards is the grant date fair value for accounting purposes, which is the required disclosure under SEC rules, not necessarily the compensation that will be actually realized by each Executive. The same threshold, target, maximum earnings goals, and adjustments (except any favorable impact from the discretionary bonus reduction is excluded), described above under "Fiscal 2018 Annual Bonus" applied to the 2018 performance year under the LGP. The same minimum performance goal used for the fiscal 2018 annual bonus was also used for the LGP and established the maximum number of shares that could be paid to each Executive, subject to downward adjustment by the Committee based upon the achievement of the financial performance goals and other factors determined by the Committee in its sole discretion. We use earnings for both annual cash awards and performance-based long-term incentives because we believe that it is the best metric to drive shareholder value. The use of annual goals over a three-year period allows us to set realistic goals while focusing on overall long-term Company results. All payments are made in shares at vesting and dividends are not paid or accrued on unvested shares.

	Fiscal 2018 Award Potential Payout		
Name	**Target Percentage of Base Salary**	**Target Number of Performance Shares**	**Potential Payout Range as Percentage of Target Shares**
Arthur Peck	550%	264,505	0 – 300%
Teri List-Stoll	180%	51,659	0 – 300%
Mark Breitbard	275%	81,058	0 – 300%
Neil Fiske	275%	60,793	0 – 300%
Brent Hyder	120%	26,062	0 – 300%

The following table describes the actual achievement levels and actual shares for the LGP awards for the completed fiscal 2016-2018 performance period for each eligible Executive.

	Fiscal 2016 Award Achievement							
Name	**Target Shares**	**Year 1, Year 2, & Year 3 (2016-2018) Actual Percentage Achieved**			**Three Year Average**	**Actual Cumulative Company Earnings Goal Modifier**	**Actual Percentage Achieved[(1)]**	**Actual Shares[(1)]**
Arthur Peck	221,172	76%	188%	0%	88%	-20%	70%	155,636

(1) Actual percentage achieved is rounded for presentation and is the three-year average, decreased by the cumulative Company earnings goal modifier. Actual shares is the product of the target shares and the actual percentage achieved.

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The table below describes, for each eligible Executive, the actual percentage achievement levels for the completed fiscal years under the LGP awards for the fiscal 2017-2019 and fiscal 2018-2020 performance periods. These outstanding awards are still subject to the remaining performance periods and the cumulative Company earnings goal over the same three-year performance period.

	Fiscal 2017 Award Achievement			**Fiscal 2018 Award Achievement**	
Name	**Target Shares**	**Year 1 (2017) Actual Percentage Achieved**	**Year 2 (2018) Actual Percentage Achieved**	**Target Shares**	**Year 1 (2018) Actual Percentage Achieved**
Arthur Peck	321,261	188%	0%	264,505	0%
Teri List-Stoll	66,907	188%	0%	51,659	0%
Mark Breitbard	83,759	0%	0%	81,058	0%
Neil Fiske	N/A	N/A	N/A	60,793	0%
Brent Hyder	23,083	188%	0%	26,062	0%

CEO RETENTION ACTIONS

The Committee, in consultation with the Board of Directors, reviewed the salary and long-term incentives in place for Mr. Peck in light of the significant organization and strategic changes the Company is making under his leadership to transform and position the Company to achieve its core growth and financial performance objectives. As the Company is in a critical phase of the transformation, the Committee, in consultation with the Board of Directors, determined it was crucial to retain him and increase his ownership stake in the Company, to create further alignment with shareholder interests. In light of this, the Committee approved an increase to his salary to $1,550,000 and a restricted stock unit grant of 345,303 shares in May 2018. The grant will vest 100% on the third anniversary of the grant date to promote long-term retention. The net shares released or acquired upon vesting, must be held for one year and the holding period remains in effect regardless of employment status. In addition, to further ensure Mr. Peck retains a substantial ownership position, he has agreed that no shares currently owned or acquired through the Company stock programs will be sold, transferred or encumbered other than to satisfy tax withholding obligations, or, in the case of transfers by gift to nonprofits and transfers for estate planning purposes, the transferred shares will be restricted from sale during the same period. This grant is intended to be a one-time action and we do not expect to make similar grants to Mr. Peck in the future.

OTHER NEW HIRE AND RETENTION ACTIONS

Ms. List-Stoll and Mr. Hyder received a stock unit grant of 125,000 shares and 100,000 shares, respectively, in March 2018 in light of expanded responsibilities, as well as to position the retention value of their long-term incentives appropriately relative to other Executives and to create further alignment with shareholder interests.

Mr. Fiske was paid a $400,000 signing bonus to recruit him from his prior employer. The bonus is repayable in full to the Company in the case of a voluntary termination or termination for cause within one year of his hire date, and half must be repaid should such a termination occur between one and two years from his hire date. Mr. Fiske also received an initial stock option grant covering 250,000 shares and an initial stock unit grant covering 130,000 shares to induce him to join the Company. Both the stock options and stock units vest based on continued service at a rate of 25% annually beginning one year from the grant date. In addition, Mr. Fiske received an annual bonus guaranteed at the target amount, prorated for the time he was in the role during the fiscal year.

BENEFITS AND PERQUISITES

Executives generally are eligible for the same health and welfare plans as other full-time Gap Inc. employees, including medical, dental, life and disability insurance, and retirement plans. Although not a significant part of total compensation, we also provide limited additional benefits and perquisites to our Executives, which we believe are reasonable and consistent with our overall compensation objectives. These perquisites and benefits include: financial planning services or an allowance to cover these services, as Executives typically have more complex financial planning requirements; participation in a deferred compensation plan that is offered to all highly compensated employees, as a means to help meet retirement savings goals; and matching charitable donations, up to certain annual limits, which are available to all employees. For Mr. Peck only, we allow limited personal use of a Company airplane at an amount not to exceed $150,000 per year based on the incremental cost to the Company in order to provide an efficient way for Mr. Peck to manage travel and time commitments.

The value of the benefits and perquisites received by our Executives are described in more detail in the footnotes to the Summary Compensation Table beginning on page 40.

STOCK OWNERSHIP REQUIREMENTS FOR EXECUTIVE OFFICERS / HEDGING AND PLEDGING PROHIBITIONS

We have minimum stock ownership requirements for certain executive positions to more closely link executive and shareholder interests, to balance potential rewards and risks, and to encourage a long-term perspective in managing the Company. Each executive has five years from the date of his or her appointment to reach the requirement. Mr. Peck has also agreed to additional holding requirements for the 345,303 shares of restricted stock units granted in May 2018 as well as for any shares he currently owns or acquires, which is further described in the CEO Retention Actions section on page 33.

As of February 2, 2019, all Executives had either met the shares requirement in the table below or had remaining time to do so.

	Requirements (shares)
President & CEO, Gap Inc.	300,000
Brand President & CEO	75,000
Corporate Executive Vice President	40,000

Executives not meeting the requirement must retain 50% of their after-tax shares acquired through stock compensation programs until the requirement is reached.

For purposes of determining stock ownership levels, in addition to shares held directly, certain forms of equity interests in the Company count towards the stock ownership requirement, including non-performance-based stock units (vested or unvested). A complete description of the requirements, including a complete list of accepted forms of ownership, is located at www.gapinc.com (follow the Investors, Governance, Executive Stock Ownership links).

Our insider trading policy applicable to executives prohibits speculation in our stock, including short sales, hedging or publicly-traded option transactions. We also prohibit executives from pledging Company stock as collateral for a loan or for any other purpose.

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TERMINATION PAYMENTS

Various agreements, as described in more detail beginning on page 48, provide for severance benefits in the event of a termination of employment. These benefits were selected considering competitive conditions and customary practices at the time of their implementation. We have no severance arrangements specific to a change in control.

COMPENSATION ANALYSIS FRAMEWORK

The Committee reviews executive compensation at least annually. The Committee's review includes base salary, annual incentives, long-term incentives and the value of benefits and perquisites. Each element is reviewed individually and in total using tally sheets, which are intended to summarize all elements of total actual and potential compensation and wealth accumulation. The tally sheets present the dollar value of each compensation component, including accumulated vested and unvested long-term incentive gains and potential gains using stock price assumptions, vesting schedules for long-term incentive awards, accumulated deferred compensation and potential termination-related payments.

The Committee also uses a summary of compensation data covering other companies to support its analysis. The Committee selected a broad spectrum of retail and consumer products companies for purposes of comparing market compensation levels (the "peer group") because we have both recruited from and lost executive talent to these industries in the past, and to ensure appropriate scope and complexity relative to the Company. Because the size of the peer group companies varies considerably, regression analysis is used where appropriate to adjust the compensation data for differences in Company and division revenues.

The peer group is reviewed by the Committee each year. The peer group used in 2018 was comprised of the companies listed below and was unchanged from 2017.

Abercrombie & Fitch	J. Crew	Polo Ralph Lauren
American Eagle Outfitters	Kellogg	PVH Corporation
Best Buy	Kimberly Clark	Ross Stores
Children's Place Retail Stores	Kohl's	Staples
Coach	Levi Strauss	Starbucks
Coca-Cola	L Brands	Target
Costco Wholesale	Macy's	TJX Companies
Disney	McDonald's	Under Armour
Estee Lauder Companies	Nike	V.F. Corporation
Foot Locker	Nordstrom	Williams-Sonoma
General Mills	PepsiCo	YUM! Brands

The majority of the peer group provides compensation data through surveys conducted by Willis Towers Watson, an international consulting company. The surveys provide levels of base salary, annual incentives, and long-term incentive grant values in a summarized form, and we believe that this data provides a reasonable indicator of total compensation values for the peer group. This data is supplemented by information obtained through proxy statement disclosures and other public sources. The Committee uses the peer group data along with the tally sheet data as a frame of reference to inform compensation decisions, but compensation is not set to meet specific benchmarks or percentiles.

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In conducting its analysis and determining compensation, the Committee also considers the following factors where relevant:

- Business and talent strategies;
- The nature of each Executive's role;
- Individual performance (based on specific financial and operating objectives for each Executive, as well as leadership behaviors);
- Future potential contributions by the Executive;
- Internal comparisons to other Executives;
- Comparisons of the value and nature of each compensation element to each other and in total; and
- Retention risk.

As described below, the Committee also considers management's recommendations and advice from the Committee's independent compensation consultant when appropriate. The Committee periodically reviews the accounting and tax implications of each compensation element, and shareholder dilution in the case of equity awards.

ROLE OF THE CEO AND COMPENSATION CONSULTANT

The CEO evaluates each Executive using relevant factors described above under "Compensation Analysis Framework" and makes recommendations to the Committee about the structure of the compensation program and individual arrangements. The CEO is generally present at Committee meetings when compensation, other than his own, is considered and approved. However, approval rests solely with the Committee.

The Committee has engaged Frederic W. Cook & Co. as its independent compensation consultant to advise the Committee periodically on the compensation program structure and individual compensation arrangements. The consultant was selected by the Committee and does not provide any other services to the Company. In addition, we have conducted a review of the Committee's relationship with its compensation consultant, and have identified no conflicts of interest. From time to time, the consultant attends Committee meetings, presents briefings on general and retail-industry compensation trends and developments, and is also available to the Committee outside of meetings as necessary. The consultant reports directly to the Committee, although the consultant meets with management from time to time to obtain information necessary to advise the Committee.

ACCOUNTING AND TAX CONSIDERATIONS

Accounting, tax and related financial implications to the Company and Executives are considered during the analysis of our compensation and benefits program and individual elements. Overall, the Committee seeks to balance attainment of our compensation objectives with the need to maximize current tax deductibility of compensation that may impact earnings and other measures of importance to shareholders. The Committee determined that the accounting and tax impacts described below were reasonable in light of our objectives.

In general, base salary, annual cash incentive bonus payments, and the costs related to benefits and perquisites are generally recognized as compensation expense at the time they are earned or provided. Share-based compensation expense is recognized in our consolidated statements of income for stock options, stock units, and performance shares.

Subject to the exceptions and limits below, we generally deduct for federal income tax purposes all payments of compensation and other benefits to Executives. We do not deduct deferred compensation until the year that the deferred compensation is paid to an Executive.

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Section 162(m) of the Internal Revenue Code ("Section 162(m)") places a limit of $1 million on the amount of compensation that we may deduct as a business expense in any year with respect to certain of our most highly paid executive officers. Historically, there has been an exemption from this $1 million deduction limit for compensation payments that qualified as "performance-based" under Section 162(m). Generally, in the past we have designed our executive compensation program to permit the Committee to award compensation intended to be eligible for deductibility to the extent permitted by Section 162(m) and the relevant IRS regulations. With the enactment of the 2017 Tax Cuts and Jobs Act, however, the performance-based compensation exemption has been eliminated, except with respect to certain grandfathered arrangements. While the Committee considers the deductibility of compensation as one factor in determining executive compensation, the Committee believes that it is in the best interests of our shareholders to maintain flexibility in our approach to executive compensation and to structure a program that we consider to be the most effective in attracting, motivating and retaining key executives.

Section 4999 and Section 280G of the Internal Revenue Code provide that executives could be subject to additional taxes if they receive payments or benefits that exceed certain limits in connection with a change in control of the Company and that the Company could lose an income tax deduction for such payments. We have not provided any Executive with tax gross-ups or other reimbursement for tax amounts the Executive might be required to pay under Section 4999.

RECOVERY AND ADJUSTMENTS TO AWARDS

The Company's clawback policy for executive officers currently allows for the recoupment of cash and equity incentive compensation when the executive officer is terminated for cause, or where all of the following factors are present: (a) the award was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement, (b) in the Board's view, the executive officer engaged in fraud or intentional misconduct that was a substantial contributing cause to the need for the restatement, and (c) a lower award would have been made to the executive officer based upon the restated financial results. In each such instance, the Company will seek to recover the individual executive officer's entire annual bonus or award for the relevant period, plus a reasonable rate of interest. The Board is monitoring this policy to ensure that it is consistent with applicable laws, including any requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Compensation Committee Report

The Compensation and Management Development Committee (the "Committee") has reviewed and discussed this Compensation Discussion and Analysis with management. Based on the review and discussions, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in our annual report on Form 10-K for the fiscal year ended February 2, 2019 and the Proxy Statement for the 2019 Annual Meeting of Shareholders.

Bob L. Martin (Chair)
Brian Goldner
Chris O'Neill

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Summary Compensation Table

The following table shows compensation information for fiscal 2018, which ended February 2, 2019, for our CEO, CFO, and the three other most highly compensated executive officers at fiscal year-end ("named executive officers"). The table also shows compensation information for fiscal 2017 and fiscal 2016, which ended February 3, 2018 and January 28, 2017, respectively, for those named executive officers who were also named executive officers in either of those years.

Name and Principal Position[(1)]	Fiscal Year	Salary ($)[(2)]	Bonus ($)[(3)]	Stock Awards ($)[(4)(5)]	Option Awards ($)[(5)(6)]	Non-Equity Incentive Plan Compensation ($)[(7)]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[(8)]	All Other Compensation ($)[(9)]	Total ($)
Arthur Peck	2018	1,526,442	0	15,135,207	3,911,850	0	0	220,440	20,793,939
President and CEO,	2017	1,396,058	0	6,762,235	3,275,460	4,045,859	0	107,574	15,587,186
Gap Inc.	2016	1,330,288	0	3,637,795	2,932,000	917,511	0	88,572	8,906,166
Teri List-Stoll	2018	918,269	200,000	4,619,311	1,095,318	192,932	0	472,764	7,498,594
EVP and CFO	2017	891,827	200,000	647,204	0	1,476,896	0	329,997	3,545,924
	2016	30,288	0	2,192,680	1,076,000	0	0	22,874	3,321,842
Mark Breitbard	2018	950,000	500,000	1,221,947	1,408,266	655,639	0	68,688	4,804,540
President and CEO, Banana Republic	2017	730,769	0	4,361,174	1,549,290	669,769	0	29,178	7,340,180
Neil Fiske President and CEO, Gap	2018	595,577	0	4,443,018	1,952,675	743,819	0	289,856	8,024,945
Brent Hyder EVP and Chief People Officer	2018	686,539	0	3,354,430	430,304	115,396	0	170,141	4,756,810

(1) Ms. List-Stoll became our CFO in January 2017. Mr. Breitbard became an executive officer of the Company in May 2017. Mr. Fiske became an executive officer of the Company in June 2018.

(2) The amounts in this column for Mr. Peck in 2016, and for Mr. Peck and Ms. List-Stoll in 2017, reflect the prorated payment of their salaries based on changes during the year. Base salary changes in fiscal 2018 are further described on page 27 of the Compensation Discussion and Analysis section.

(3) The amounts in this column for Ms. List-Stoll and Mr. Breitbard reflect the earned portion of a sign-on bonus with repayment provisions that they received when they each joined the Company in January 2017 and May 2017, respectively.

(4) This column reflects the aggregate grant date fair value for awards of stock during fiscal 2018, 2017 and 2016, computed in accordance with FASB ASC 718. These amounts reflect the grant date fair value, and do not necessarily represent the actual value that may be realized by the named executive officers. For 2016, this column includes (a) the grant date fair value of the target number of shares that may be earned under the Company's Long-Term Growth Program (LGP) with respect to year 3 of a three-year performance period beginning with fiscal 2014 ("LGP 1"), (b) the grant date fair value of the target number of shares that may be earned under the LGP with respect to year 2 of a three-year performance period beginning with fiscal 2015 ("LGP 2"), and (c) the grant date fair value of the target number of shares that may be earned under the LGP with respect to year 1 of a three-year performance period beginning with fiscal 2016 ("LGP 3"). For 2017, this column includes (a) the grant date fair value of the target number of shares that may be earned under the LGP with respect to year 3 of LGP 2, (b) the grant date fair value of the target number of shares that may be earned under the LGP with respect to year 2 of LGP 3, and (c) the grant date fair value of the target number of shares that may be earned under the LGP with respect to year 1 of a three-year performance period beginning with fiscal 2017 ("LGP 4"). For 2018, this column includes (a) the grant date fair value of the target number of shares that may be earned under the LGP with respect to year 3 of LGP 3, (b) the grant date fair value of the target number of shares that may be earned under the LGP with respect to year 2 of LGP 4, and (c) the grant date fair value of the target number of shares that may be earned under the LGP with respect to year 1 of a three-year performance period beginning with fiscal 2018 ("LGP 5"). See page 32 of the Compensation Discussion and Analysis section for actual shares earned under LGP 3. Ms. List-Stoll and Mr. Breitbard each received their first grant under the LGP in 2017, and Mr. Fiske received his first grant under the LGP in 2018. This column also includes the aggregate grant date fair value of any restricted stock units granted during fiscal 2018, 2017 and 2016.

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Details on the figures included in this column for 2018 are reflected in the following table. Details on the figures included in this column for 2017 and 2016 are included in our 2018 and 2017 Proxy Statements.

	LGP 3 (FY 2016 Grant) Year 3 Target Shares Grant Date Fair Value ($)	LGP 4 (FY 2017 Grant) Year 2 Target Shares Grant Date Fair Value ($)	LGP 5 (FY 2018 Grant) Year 1 Target Shares Grant Date Fair Value ($)	Grant Date Fair Value of Non-LGP Stock Awards ($)	Total Reported in Stock Awards Column (Rounded to the nearest dollar) ($)
Arthur Peck	1,739,149	2,428,733	1,921,181	9,046,144	**15,135,207**
Teri List-Stoll	n/a	505,809	375,202	3,738,300	**4,619,311**
Mark Breitbard	n/a	633,203	588,744	0	**1,221,947**
Neil Fiske	n/a	n/a	441,553	4,001,465	**4,443,018**
Brent Hyder	n/a	174,500	189,290	2,990,640	**3,354,430**

The total grant date fair value of the LGP awards if maximum performance conditions were achieved over the entire three-year period under LGP 3, LGP 4 and LGP 5 are detailed in the following table. The grant date fair values per share used in calculating the total grant date fair values below were as follows: (i) year 1 of LGP 3 ($27.05), year 2 of LGP 3 ($29.91), and year 3 of LGP 3 ($23.59), (ii) year 1 of LGP 4 ($29.02), and years 2 and 3 of LGP 4 ($22.68), and (iii) years 1, 2 and 3 of LGP 5 ($21.79). The grant date fair value for year 2 of LGP 4 was used for year 3 of LGP 4, and the grant date fair value for year 1 of LGP 5 was used for years 2 and 3 of LGP 5. Mr. Hyder received his first LGP grant in 2017. For a description of the Company's Long-Term Growth Program, please see pages 31-33 of the Compensation Discussion and Analysis section.

	Maximum Shares Total Grant Date Fair Value ($)		
	LGP 3 (FY 2016 Cycle)	LGP 4 (FY 2017 Cycle)	LGP 5 (FY 2018 Cycle)
Art Peck	17,815,405	23,895,393	17,290,692
Teri List-Stoll	n/a	4,976,543	3,376,949
Mark Breitbard	n/a	6,229,994	5,298,761
Neil Fiske	n/a	n/a	3,974,038
Brent Hyder	n/a	1,716,914	1,703,673

(5) Please refer to Note 10, "Share-Based Compensation," in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K filed on March 19, 2019 for the relevant assumptions used to determine the compensation cost of our stock and option awards. Please refer to the Grants of Plan-Based Awards table in this Proxy Statement and in our 2018 and 2017 Proxy Statements for information on awards actually granted in fiscal 2017 and 2016.

(6) This column reflects the aggregate grant date fair value for awards of stock options during fiscal 2018, 2017 and 2016, computed in accordance with FASB ASC 718. These amounts reflect the grant date fair value, and do not necessarily represent the actual value that may be realized by the named executive officers.

(7) The amounts in this column reflect the non-equity amounts earned by the named executive officers under the Company's annual incentive bonus plan.

(8) No above-market or preferential interest rate options are available under our deferred compensation programs. Please refer to the Nonqualified Deferred Compensation table for additional information on deferred compensation earnings.

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(9) The amounts shown in the All Other Compensation column are detailed in the following table.

Name	Fiscal Year	Personal Use of Airplane ($)(a)	Financial Counseling ($)(b)	Tax Payments ($)(c)	Deferred Compensation Plan Match ($)(d)	401 (k) Plan Match ($)(e)	Disability Plan ($)(f)	Life Insurance ($)(g)	Relocation ($)(h)	Gift Matching ($)(i)	Other ($)(j)	Total ($)
Arthur Peck	2018	137,182	15,300	0	49,250	11,717	415	576	0	6,000	0	220,440
	2017	36,734	15,300	0	43,831	10,718	415	576	0	0	0	107,574
	2016	19,523	14,838	0	42,477	10,703	524	507	0	0	0	88,572
Teri List-Stoll	2018	0	15,300	37,805	25,500	11,587	415	576	366,581	15,000	0	472,764
	2017	0	12,892	87,616	22,402	12,888	415	576	178,208	15,000	0	329,997
	2016	0	0	0	0	0	16	48	22,810	0	0	22,874
Mark Breitbard	2018	0	14,526	0	27,000	11,171	415	576	0	15,000	0	68,688
	2017	0	0	0	0	13,435	311	432	0	15,000	0	29,178
Neil Fiske	2018	0	9,557	116,249	0	0	242	336	163,472	0	0	289,856
Brent Hyder	2018	0	15,300	51,304	16,000	10,800	415	566	65,756	10,000	0	170,141

(a) The Compensation and Management Development Committee determined that it was appropriate to provide Mr. Peck use of a Company airplane for limited personal use (not to exceed $150,000 per fiscal year in incremental cost to the Company). As required by SEC rules, the amounts shown are the incremental cost to the Company of personal use of the Company airplane and are calculated based on the variable operating costs to the Company, including fuel costs, mileage, trip-related maintenance, and other miscellaneous variable costs. Since the Company airplane is primarily used for business travel, fixed costs which do not change based on usage, such as the pilot's salary and maintenance costs unrelated to the trip, are excluded.

(b) We provide certain executive officers access to financial counseling services, which may include tax preparation and estate planning services. We value this benefit based on the actual cost for those services.

(c) For Ms. List-Stoll, these amounts reflect tax reimbursements in connection with her relocation to San Francisco when she joined the Company in January 2017. For Mr. Fiske, these amounts reflect tax reimbursements in connection with his relocation from California to New York when he joined the Company in June 2018. For Mr. Hyder, these amounts reflect tax reimbursements in connection with his previous international assignments and relocation from Japan to the U.S.

(d) These amounts reflect Company matching contributions under the Company's nonqualified Deferred Compensation Plan for base salary deferrals representing the excess of the participant's base pay over the current IRS qualified plan limit ($275,000 for calendar year 2018), which are matched at up to 4% of base pay, the same rate as is in effect under the Company's 401(k) plan.

(e) These amounts reflect Company matching contributions under the Company's 401(k) Plan.

(f) These amounts reflect premium payments for long-term disability insurance, which is available to benefits-eligible employees generally.

(g) These amounts reflect premiums paid for life insurance provided to employees at the Director level and above.

(h) For Ms. List-Stoll, the amounts reflect costs in connection with her relocation to San Francisco when she joined the Company in January 2017. For Mr. Fiske, the amounts reflect costs in connection with his relocation from California to New York when he joined the Company in June 2018. For Mr. Hyder, the amounts reflect costs in connection with his relocation from Japan to the U.S.

(i) These amounts reflect Company matching contributions under the Company's Gift Match Program, available to all employees, under which contributions to eligible nonprofit organizations are matched by the Company, up to certain annual limits. In calendar year 2018, the limit for the named executive officers was $15,000, with the exception of Mr. Peck who had an annual matching limit of $100,000. The annual gift match eligibility limits are based on the executive's original donation date.

(j) Our named executive officers were also eligible to receive preferred airline status.

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Grants of Plan-Based Awards

The following table shows all plan-based awards granted to the named executive officers during fiscal 2018, which ended on February 2, 2019. The option awards and the unvested portion of the stock awards identified in the table below are also reported in the Outstanding Equity Awards at Fiscal Year-End table.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts Under Equity Incentive Plan Awards[2]						
Name	**Grant Date**	**Approval Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($)**	**Grant Date Fair Value of Stock and Option Awards ($)[3]**
Arthur Peck	3/19/18	3/19/18								500,000	32.23	3,911,850
	6/1/18	5/22/18							345,303			9,046,144
	3/19/18	3/19/18				33,175	73,724	221,172				1,739,149
	3/19/18	3/19/18				48,189	107,087	321,261				2,428,733
	3/19/18	3/19/18				39,675	88,168	264,505				1,921,181
	N/A		667,819	2,671,274	5,342,548							
Teri List-Stoll	3/19/18	3/19/18								140,000	32.23	1,095,318
	3/19/18	3/19/18							125,000			3,738,300
	3/19/18	3/19/18				10,036	22,302	66,907				505,809
	3/19/18	3/19/18				7,748	17,219	51,659				375,202
	N/A		229,567	918,269	1,836,538							
Mark Breitbard	3/19/18	3/19/18								180,000	32.23	1,408,266
	3/19/18	3/19/18				12,563	27,919	83,759				633,203
	3/19/18	3/19/18				12,158	27,019	81,058				588,744
	N/A		296,875	1,187,500	2,375,000							
Neil Fiske	6/20/18	6/11/18								250,000	33.08	1,952,675
	6/20/18	6/11/18							130,000			4,001,465
	6/20/18	6/11/18				9,118	20,264	60,793				441,553
	N/A		185,955	743,819	1,487,637							
Brent Hyder	3/19/18	3/19/18								55,000	32.23	430,304
	3/19/18	3/19/18							100,000			2,990,640
	3/19/18	3/19/18				3,462	7,694					