

RAND CAPITAL CORP
Form 10-Q
August 10, 2010

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 2010

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number: 814-00235

Rand Capital Corporation

(Exact Name of Registrant as specified in its Charter)

New York

(State or Other Jurisdiction of Incorporation or organization)

16-0961359

(IRS Employer Identification No.)

2200 Rand Building, Buffalo, NY

(Address of Principal executive offices)

14203

(Zip Code)

(716) 853-0802

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of August 6, 2010 there were 6,818,934 shares of the registrant's common stock outstanding.



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PART I.
FINANCIAL INFORMATION

Item 1. Financial Statements and Supplementary Data

RAND CAPITAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of June 30, 2010 and December 31, 2009

	June 30, 2010	December 31,
	(Unaudited)	2009
ASSETS		
Investments at fair value (identified cost: 6/30/10 \$17,600,827; 12/31/09 \$14,767,920)	\$ 26,385,893	\$ 24,296,145
Cash and cash equivalents	5,852,822	9,417,236
Interest receivable (net of allowance \$209,089)	1,137,547	1,192,118
Income taxes receivable	72,405	
Other assets	763,535	725,872
Total assets	\$ 34,212,202	\$ 35,631,371
LIABILITIES AND STOCKHOLDERS EQUITY (NET ASSETS)		
Liabilities:		
Debentures guaranteed by the SBA	\$ 10,000,000	\$ 9,100,000
Deferred tax liability	1,557,276	1,809,000
Income taxes payable		1,082,646
Accounts payable and accrued expenses	270,267	431,233
Deferred revenue	1,783	2,611
Total liabilities	11,829,326	12,425,490
Stockholders equity (net assets):		
Common stock, \$.10 par; shares authorized 10,000,000; shares issued 6,863,034	686,304	686,304
Capital in excess of par value	10,581,789	10,581,789
Accumulated net investment (loss)	(5,271,365)	(4,961,725)
Undistributed net realized gain on investments	10,897,390	10,897,390
Net unrealized appreciation on investments	5,535,964	6,049,329
Treasury stock, at cost, 44,100 shares	(47,206)	(47,206)
Net assets (per share 6/30/10 \$3.28, 12/31/09 \$3.40)	22,382,876	23,205,881
Total liabilities and stockholders equity (net assets)	\$ 34,212,202	\$ 35,631,371

See accompanying notes

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RAND CAPITAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months and Six Months Ended June 30, 2010 and 2009
(Unaudited)

	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Investment income:				
Interest from portfolio companies	\$ 167,509	\$ 152,007	\$ 334,006	\$ 287,523
Interest from other investments	4,005	3,160	9,189	12,294
Dividend and other investment income	22,389	159,745	36,291	384,271
Other income	4,525	6,083	7,328	15,166
	198,428	320,995	386,814	699,254
Operating expenses:				
Salaries	115,050	111,843	230,100	223,765
Employee benefits	25,995	29,919	84,137	66,095
Directors fees	46,795	44,000	57,750	54,500
Professional fees	32,268	67,798	90,691	139,019
Stockholders and office operating	45,901	51,491	71,924	85,896
Insurance	9,655	10,550	19,820	25,428
Corporate development	14,537	14,841	23,767	24,375
Other operating	5,232	2,276	8,028	4,729
	295,433	332,718	586,217	623,807
Interest on SBA obligations	147,560	125,065	284,004	243,424
Bad debt recovery	(5,983)	(10,977)	(5,983)	(10,977)
Total expenses	437,010	446,806	864,238	856,254
Investment (loss) before income taxes	(238,582)	(125,811)	(477,424)	(157,000)
Current income tax (benefit) expense	(145,856)	34,012	(145,856)	136,062
Deferred income tax expense (benefit)	57,525	(80,034)	(21,928)	(192,034)
Net investment (loss)	(150,251)	(79,789)	(309,640)	(101,028)
Realized and unrealized gain (loss) on investments:				
Realized loss on sales and dispositions		(31,271)		(31,271)
Income tax(benefit)		(11,149)		(11,149)
Net realized loss on investments		(20,122)		(20,122)

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Unrealized appreciation on investments:				
Beginning of period	8,728,226	13,739,831	9,528,226	13,739,831
End of period	8,785,064	12,859,507	8,785,064	12,859,507
Change in unrealized appreciation before income taxes				
	56,838	(880,324)	(743,162)	(880,324)
Deferred income tax expense (benefit)	50,327	(322,817)	(229,797)	(322,817)
Net increase (decrease) in unrealized appreciation	6,511	(557,507)	(513,365)	(557,507)
Net realized and unrealized gain (loss) on investments	6,511	(577,629)	(513,365)	(577,629)
Net decrease in net assets from operations	\$ (143,740)	\$ (657,418)	\$ (823,005)	\$ (678,657)
Weighted average shares outstanding	6,818,934	5,718,934	6,818,934	5,718,934
Basic and diluted net decrease in net assets from operations per share	\$ (0.02)	\$ (0.11)	\$ (0.12)	\$ (0.12)
	See accompanying notes			

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RAND CAPITAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2010 and 2009
(Unaudited)

	June 30, 2010	June 30, 2009
Cash flows from operating activities:		
Net decrease in net assets from operations	\$ (823,005)	\$ (678,657)
Adjustments to reconcile net decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	20,745	17,891
Change in interest receivable allowance		36,245
Decrease in unrealized appreciation of investments	743,162	880,324
Deferred tax benefit	(251,724)	(526,000)
Net realized loss on portfolio investments		31,271
Non-cash conversion of debenture interest	(324,553)	(42,349)
Changes in operating assets and liabilities:		
Decrease (increase) in interest receivable	54,571	(197,950)
(Increase) decrease in other assets	(35,737)	101,575
Increase in income taxes receivable	(72,405)	(85,521)
Decrease in income taxes payable	(1,082,646)	(98,723)
Decrease in accounts payable and accrued expenses	(160,966)	(13,394)
Decrease in deferred revenue	(828)	(15,182)
Total adjustments	(1,110,381)	88,187
Net cash used in operating activities	(1,933,386)	(590,470)
Cash flows from investing activities:		
Investments originated	(2,580,000)	(381,756)
Proceeds from sale of portfolio investments		57,479
Proceeds from loan repayments	71,643	33,038
Capital expenditures	(846)	
Net cash used in investing activities	(2,509,203)	(291,239)
Cash flows from financing activities:		
Proceeds from SBA debenture	900,000	
Origination costs to SBA	(21,825)	
Net cash provided by financing activities	878,175	
Net decrease in cash and cash equivalents	(3,564,414)	(881,709)
Cash and cash equivalents:		
Beginning of period	9,417,236	2,757,653
End of period	\$ 5,852,822	\$ 1,875,944

See accompanying notes

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RAND CAPITAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
For the Three Months and the Six Months Ended June 30, 2010 and 2009
(Unaudited)

	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Net assets at beginning of period	\$ 22,526,616	\$ 20,205,727	\$ 23,205,881	\$ 20,226,966
Net investment loss	(150,251)	(68,640)	(309,640)	(89,879)
Net realized loss on investments		(31,271)		(31,271)
Change in unrealized appreciation before income taxes	56,838	(880,324)	(743,162)	(880,324)
Deferred income tax expense (benefit)	50,327	(322,817)	(229,797)	(322,817)
Increase (decrease) in unrealized appreciation on investments (net of tax benefit)	6,511	(557,507)	(513,365)	(557,507)
Net decrease in net assets from operations	(143,740)	(657,418)	(823,005)	(678,657)
Net assets at end of period	\$ 22,382,876	\$ 19,548,309	\$ 22,382,876	\$ 19,548,309

See accompanying notes

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RAND CAPITAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
June 30, 2010
(Unaudited)

Company, Geographic Location, Business Description, (Industry) and Website	Type of Investment	(b) Date	(c)	Acquired Equity	Cost	(d)(f) Value	Per Share of Rand
Non-Control/Non-Affiliate Investments: (k)							
Mezmeriz, Inc. (g) Ithaca, NY. Developer of micro mirror technology that replaces silicon with carbon fibers in micro-electronic mechanical systems (MEMS) enabling efficient, wide-angle, Pico projectors to be embedded in mobile devices. (Electronics Developer) www.mezmeriz.com	141,334 Series A preferred shares.	1/9/08	4%	\$ 121,509	\$ 121,509	\$ 121,509	\$.02
Rheonix, Inc. Ithaca, NY. Developer of microfluidic testing devices including channels, pumps, reaction vessels, & diagnostic chambers, for testing of small volumes of chemicals and biological fluids. (Manufacturing) www.rheonix.com	9,676 common shares. (g) 481,430 Series A preferred shares. 50,593 common shares.	10/29/09	3%	503,000	639,000	639,000	.09
Somerset Gas Transmission Company, LLC (e) Columbus, OH. Natural gas transportation company. (Oil and Gas) www.somersetgas.com	26.5337 units.	7/10/02	2%	719,097	786,748	786,748	.12
Synacor Inc. (g) Buffalo, NY. Develops provisioning platforms for aggregation and delivery of content and services across multiple digital devices. (Software) www.synacor.com	234,558 Series A preferred shares. 600,000 Series B preferred shares. 240,378 Series C preferred shares. 897,438 common shares.	11/18/02	4%	1,349,479	4,168,001	4,168,001	.61
Subtotal Non-Control/Non-Affiliate Investments					\$ 2,693,085	\$ 5,715,258	\$.84
Affiliate Investments: (l)							
Carolina Skiff LLC (e)(g) Waycross, GA. Manufacturer of fresh water,	\$985,000 Class A preferred membership interest at 14%.	1/30/04	7%	\$ 1,518,861	\$ 1,518,861	\$ 1,518,861	\$.22

ocean fishing and pleasure boats. (Manufacturing) www.carolinaskiff.com	Redeemable December 23, 2012. \$500,000 subordinated promissory note at 14% due December 31, 2016. 6.6233% Class A common membership interest. (j) Interest receivable \$834,055.					
EmergingMed.com, Inc. (e)(g) New York, NY. Cancer clinical trial matching and referral service. (Software) www.emergingmed.com	\$675,045 senior subordinated note at 8% due January 19, 2013. Warrant for 8% of common stock.	12/19/05	7%	675,045	675,045	.10
GridApp Systems, Inc. (g) New York, NY. Provider of database automation software that helps businesses gain control of their heterogeneous database applications through a centralized software console. (Software) www.gridapp.com	1,309,375 Series A-1 preferred shares. 584,480 common shares. 8% cumulative dividend.	11/25/08	14%	1,577,708	1,281,773	.19
Innov-X Systems, Inc. (g) Woburn, MA. Manufactures portable x-ray fluorescence (XRF) analyzers used in metals/alloy analysis. (Manufacturing) www.innovxsys.com	(e) \$250,000 note at 11% due March 31, 2017. 2,642 Series A preferred stock. 8% cumulative dividend. Warrants for 21,924 common shares. (j) Interest receivable \$260,277.	9/27/04	9%	1,250,000	5,600,000	.82

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**RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
June 30, 2010 (Continued)
(Unaudited)**

Company, Geographic Location, Business Description, (Industry) and Website	(b) Date	(c)	(d)(f)	Per Share
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Our Board's Role in Risk Oversight

It is the job of our chief executive officer, chief financial officer, general counsel, and other members of our senior management to identify, assess, and manage our exposure to risk. Our Board plays an important role in overseeing management's performance of these functions. The Board of Directors has approved the charter of its Audit Committee, and that charter lists the primary responsibilities of the Audit Committee. Those responsibilities require the Audit Committee to discuss with management, the general auditor, and the independent auditors the Company's enterprise-wide risk assessment and risk management processes, including major risk exposures, risk mitigants, and the design and effectiveness

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of the Company's processes and controls to prevent and detect fraudulent activity. Some aspect of risk management and oversight is discussed at virtually every Audit Committee meeting. The Audit Committee's charter is posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*.

As a diversified financial services company, our business is subject to a number of risks and uncertainties, which are described in detail in our Form 10-K for the year ended December 31, 2011, which is included as part of our 2011 Annual Report to Shareholders. The Audit Committee and the Board as a whole receive regular reports from management and our independent auditors on prevailing material risks and the actions being taken to mitigate them. Management also reports to the Audit Committee and the Board on steps being taken to enhance our risk management processes and controls in light of evolving market, business, regulatory, and other conditions. Because five of our eight independent directors serve on the Audit Committee, a majority of the independent directors is closely and regularly involved in the risk oversight function.

Directors who do not serve on the Audit Committee receive copies of the Committee's meeting materials, including draft minutes for each Audit Committee meeting. The chairman of the Audit Committee reports to the entire Board on the Audit Committee's activities and decisions. In addition, each presentation to the Audit Committee or the Board on any significant matter is preceded by an executive summary that includes a section devoted to risk management issues. This section is intended to focus the attention of the Audit Committee and the Board on key risk topics and management's related risk management strategies and processes. As part of its ongoing responsibilities, the Audit Committee reviews and assesses the quality and clarity of the risk management information provided to it and, if necessary, makes recommendations to management for improving this information reporting.

Because we are in a highly regulated industry, the Audit Committee and the Board receive regular reports of examination from our regulators. In part, these reports address risk management topics and, as needed, the Audit Committee and the Board will respond in writing to risk management or other issues raised in the reports. In order to confirm that it is receiving candid and complete information on risk management and other topics, the Audit Committee holds regular separate executive sessions with members of executive management, our independent auditors, and our general auditor.

In response to emerging best practices and regulatory guidelines, the Audit Committee and the Compensation and Benefits Committee have received reports on risks related to our incentive compensation plans across the Company. The committees will continue to receive such reports as needed. These plans cover officers and employees who are not executive officers. We discuss this subject in more detail in the section of the Compensation Discussion and Analysis captioned "Risk and Incentive Compensation" beginning at page 45.

In the preceding section of the proxy statement, we explained our Board's leadership structure. Our chairman and chief executive officer is ultimately responsible for the effectiveness of the Company's risk management processes and is an integral part of our day-to-day risk management processes. He also attends each Audit Committee meeting, except in extraordinary circumstances unrelated to that meeting's agenda. As a result, his ability to lead our enterprise risk management program and to assist in the Board's oversight of that program improves the effectiveness of both the Board's leadership structure and its oversight of risk.

Consideration of Director Candidates Recommended by Shareholders

The Nominating and Governance Committee will consider director candidates recommended by shareholders, provided that the requirements explained on page 15 under the caption "Director Nomination Process" are satisfied.

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Annual Performance Evaluation Process for the Board and its Committees

The Nominating and Governance Committee oversees an annual performance evaluation process for the Board of Directors and the Audit, Compensation and Benefits, and Nominating and Governance Committees. The process is intended to determine whether the Board and its committees are functioning effectively.

Corporate Governance Guidelines

The Board of Directors has approved Corporate Governance Guidelines. Among other topics, the Corporate Governance Guidelines address: director qualification standards; director responsibilities; director access to management and, as necessary and appropriate, independent advisors; director compensation; director orientation and continuing education; management succession; and the annual performance evaluation of the Board and its committees. The Corporate Governance Guidelines are posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*.

Codes of Conduct

We have adopted a Code of Conduct to guide ethical business behavior and decision-making. The Code applies to all of our officers, employees, financial advisors, and their employees, and individuals conducting business on behalf of us and our subsidiaries. Following our Code of Conduct and all applicable laws, regulations, and Company policies is a condition of employment or association with the Company.

The Board of Directors has adopted a Code of Business Conduct for Members of the Board of Directors of Ameriprise Financial, Inc. This Code is intended to focus each director on areas of potential conflicts of interest and provide guidance relating to the recognition and handling of ethical issues. The Code also provides mechanisms to report potential conflicts of interest or unethical conduct and is intended to help to foster a culture of openness and accountability.

Both of these Codes are posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*.

Director Attendance at Annual Meeting of Shareholders

Our Corporate Governance Guidelines state that directors are expected to attend the annual meeting of shareholders. The corporate secretary reminds each director of this policy in writing in advance of each annual meeting of shareholders. At our 2011 annual meeting of shareholders, all directors then serving were in attendance.

Majority Voting for Directors

Our By-Laws provide for majority voting for directors in uncontested elections. The plurality standard will be used in the case of contested elections. We anticipate that the election of directors to be held at the meeting will be uncontested, and therefore the majority voting standard will apply. We have provided additional information about the By-Law provisions governing majority voting for directors beginning on page three of this proxy statement, under the caption "Votes Required for Proposals."

Director Qualifications and Board Policies

The Board of Directors has determined that directors should be persons who have achieved prominence in their field and who possess significant experience in areas of importance to the Company, such as general management, finance, marketing, technology, law, business or public sector activities.

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Directors should possess integrity, energy, forthrightness, analytical skills and the commitment to devote the necessary time and attention to the Company's affairs. Directors should possess a willingness to challenge and stimulate management and the ability to work as part of a team in an environment of trust.

The Nominating and Governance Committee will consider whether the candidate has served as the chief executive officer, chief financial officer or other executive officer of a public company with significant policy-making or operational responsibility. The Committee also evaluates a candidate's manifest potential to significantly enhance the effectiveness of the Board and its committees. Experience in an area that is directly relevant to one or more of our business segments is also an important consideration.

The committee considers these specific qualities or skills as being necessary for one or more directors to possess:

A majority of directors must satisfy the independence standards established by the New York Stock Exchange;

Enough independent directors must be financially literate and have accounting or related financial management expertise so that the current and anticipated membership needs of the Audit Committee can be satisfied;

Directors are expected to possess the skills, experience, and professional background necessary to gain a sound understanding of our strategic vision, mix of businesses, and approach to regulatory relations and enterprise risk management; and

The Board as a whole must possess a mix and breadth of qualities, skills, and experience that will enable it and its committees to promote the best interests of the Company and its shareholders and to address effectively the risk factors to which the Company is subject.

Independent directors have access to individual members of management or to our employees on a confidential basis. Directors are authorized to conduct independent investigations and to hire outside consultants or experts at our expense. Directors also have access to our records and files, and directors may contact other directors without informing our management of the purpose or even the fact of such contact.

In 2010 and 2011, with the advice and assistance of a nationally recognized search firm, the Board's independent Nominating and Governance Committee conducted a year-long selection process to identify and interview potential board candidates. The search firm placed Mr. Lon R. Greenberg, the chairman and chief executive officer of UGI Corporation, on the list of potential candidates it had identified for the committee's consideration. After the Committee's due diligence efforts, the Board, upon the Committee's recommendation, appointed Lon R. Greenberg as a director as of June 7, 2011. Information about Mr. Greenberg's qualifications is provided on page 27. As a Class I director, Mr. Greenberg is standing for election by the shareholders at the 2012 annual meeting.

We believe that each director should have a substantial personal investment in the Company. A personal holding of Company shares or deferred share units having a market value of five times the amount of the current annual retainer *upon attainment* is recommended for each director. A decrease in the price of a share of our common stock after a director has attained the required ownership threshold will not negate the director's satisfaction of this requirement. Directors are expected to attain this ownership threshold within five years of joining the Board. We disclose the dollar value of each outside director's equity holdings as of February 27, 2012, on page 18.

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Board Diversity

Our Board of Directors does not have a formal written policy with regard to the consideration of diversity in identifying director nominees. Our Corporate Governance Guidelines, however, require the Board's Nominating and Governance Committee to review the qualifications of the directors and the composition of the Board as a whole periodically. This assessment includes not only the independence of the directors, but consideration of required minimum qualifications, diversity, age, skills, and experience in the context of the needs of the Board. Our Corporate Governance Guidelines provide that the Board will establish the number of directors based on the recommendations of its Nominating and Governance Committee, which will consider, among other factors: the Board's current and anticipated need for directors with specific qualities, skills, experience or backgrounds; the availability of highly qualified candidates; committee workloads and membership needs; and anticipated director retirements.

Whenever the Nominating and Governance Committee engages a search firm to identify potential director candidates, the committee instructs the firm that diversity considerations are highly important. Similarly, whenever the committee considers candidates identified by other directors or shareholders, the same considerations apply. Because our Board of Directors is relatively small, it may not always be possible to recruit a director who has the skills and experience needed by the Board at that time and who also enhances the diversity of the Board. Nevertheless, considerations of diversity will continue to be important factors in identifying and recruiting new directors.

Communicating with Directors

The Board of Directors has provided a means by which shareholders or other interested parties may send communications to the Board or to individual members of the Board. Such communications, whether by letter, email or telephone, should be directed to the Company's corporate secretary, who will forward them to the intended recipients. However, unsolicited advertisements or invitations to conferences or promotional material, in the discretion of the Company's corporate secretary, may not be forwarded to the directors.

If a shareholder or other interested party wishes to communicate a concern to the chairman of the Audit Committee about our financial statements, accounting practices, internal controls or business ethics or corporate conduct, the concern should be submitted in writing to the chairman of the Audit Committee in care of our corporate secretary. If the concern relates to our executive compensation program, the concern should be submitted in writing to the chairman of the Compensation and Benefits Committee in care of our corporate secretary. If the concern relates to our governance practices, the concern should be submitted in writing to the chairman of the Nominating and Governance Committee in care of our corporate secretary. If the shareholder or other interested party is unsure as to which category his or her concern relates, he or she may communicate it to any one of the independent directors in care of our corporate secretary. The contact information for the Company's corporate secretary is provided on page one under "General Information."

Our "whistleblower" policy prohibits us or any of our employees from retaliating or taking any adverse action against anyone for raising a compliance or ethical concern in good faith. If a shareholder, employee or other interested party nonetheless prefers to raise his or her concern in a confidential or anonymous manner, the concern may be directed to Ethicspoint®, at (800) 963-6395. This is a confidential, independent service that allows individuals to report compliance or ethical issues and concerns they may have concerning Ameriprise Financial. An Ethicspoint® specialist will forward accounting and auditing issues to our general auditor and our general counsel, who will confirm that the matter is properly investigated and, if deemed appropriate, report the results to the Audit Committee.

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During 2011, the Board of Directors met eight times. All of our directors attended 89% or more of the meetings of the Board and Board committees on which they served in 2011.

Membership on Board Committees

This table lists our four standing Board committees, the directors who currently serve on them, and the number of committee meetings held in 2011.

Audit	Compensation and Benefits	Executive	Nominating and Governance
Mr. Turner(1)	Mr. Noddle(2)	Mr. Cracchiolo(2)	Ms. Marshall(3)
Mr. Greenberg(4)	Mr. Knowlton	Ms. Marshall	Mr. Lewis
Mr. Knowlton	Mr. Lewis	Mr. Noddle	Mr. Noddle
Mr. Sarles(5)	Ms. Marshall	Mr. Turner	Mr. Sarles
Mr. Sharpe	Mr. Sharpe		
Number of meetings held in 2011			
12	7	1	4

(1) chairman and audit committee financial expert

(2) chairman

(3) chairman and presiding director

(4) Mr. Greenberg was appointed as a director as of June 7, 2011, and was appointed as an Audit Committee member as of October 6, 2011.

(5) audit committee financial expert

Compensation and Benefits Committee

Under its written charter, the Compensation and Benefits Committee's primary purposes are to: establish the philosophy and objectives that will govern our compensation and benefits programs; oversee and approve the compensation and benefits paid to our chief executive officer and other executive officers; recommend to the Board for approval executive and other compensation and benefits plans and arrangements; and promote the clear and complete disclosure to shareholders of material information regarding the compensation and benefits of our chief executive officer, chief financial officer, and our highest paid executive officers. A copy of the committee's charter is posted on our website on the Corporate Governance page of the "Company Information" section at ir.ameriprise.com.

The committee is also responsible for oversight of the incentive compensation plans throughout the Company, to the extent and in manner set forth in relevant regulatory guidance or rules and for recommendations to the Board on matters related to nonbinding advisory votes of shareholders to approve the compensation of the named executive officers, submitted as Item 2 of this proxy statement, and the frequency of those votes.

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Among other matters, the committee exercises ultimate authority with respect to: the compensation and benefits of our chief executive officer and other executive officers; the approval of grants and awards of equity-based and other incentive awards to our chief executive officer and other executive officers and to employees below the executive officer level; and the engagement, oversight, compensation, and termination of the committee's compensation consultant.

While the Compensation and Benefits Committee oversees our executive compensation program, the Nominating and Governance Committee has the authority to oversee the compensation and benefits of non-management directors and make recommendations on such matters to the Board of Directors for approval. We provide information about the compensation of our outside directors beginning on page 18.

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The Compensation and Benefits Committee has the authority under its charter to: retain independent legal or other advisors; ask us to provide the committee with the support of one or more of our officers or employees to assist it in carrying out its duties; and request any of our officers or employees or those of our outside counsel or independent auditors to attend a meeting of the committee or to meet with any members of, or consultants to, the committee.

The committee has the authority to determine the appropriate amount of funding to be provided by us for the payment of the compensation of any compensation consultant or other advisor engaged by the committee and for the payment of any administrative expenses of the committee that are necessary or appropriate in carrying out its duties.

The committee has the authority to delegate its authority to one or more subcommittees, including to the committee chairman, who may act on behalf of the committee during the intervals between meetings. Depending on the nature of the authority being delegated, a subcommittee may have to consist of a minimum of two members due to certain federal securities and tax law requirements.

The committee may also delegate its authority to one or more of our officers or employees to the extent permitted by federal securities and income tax laws, Delaware law, the rules of the New York Stock Exchange or the governing compensation plan document.

The committee has delegated certain administrative authority to our chief human resources officer to promote the efficient and timely administration of our compensation and benefits plans.

The Role of Executive Officers. Our executive officers play the following roles in recommending the amount or form of executive compensation: preparing committee meeting materials related to the performance of the committee's duties, including total compensation tally sheets and other summaries of executive officers' total compensation; proposing the adoption of new or amended compensation or benefits plans; the chief executive officer will make recommendations to the committee for consideration regarding compensation actions for executive officers other than himself; our chief human resources officer will discuss survey and benchmarking data related to executive compensation and other topics of interest to the committee; and our chief financial officer will discuss and explain the setting and calculation of financial performance goals for certain executive compensation plans. No executive officer has the authority to approve his or her compensation or to make equity-based grants to himself or herself, or to any other executive officer.

The Committee's Independent Compensation Consultant. The Compensation and Benefits Committee currently uses the firm of Frederic W. Cook & Co., Inc. ("Cook") as its independent compensation consultant. The committee has approved a Compensation Consultant Policy that addresses the following topics: the relationship between the committee and its compensation consultant; the criteria that the committee uses to select its consultant; the consultant's duties; how the committee evaluates its compensation consultant; the standards that the committee will apply in determining whether its consultant is independent of the Company's management; and the related disclosure to be provided to our shareholders. We have posted the committee's Compensation Consultant Policy on our website on the Corporate Governance page of the "Company Information" section at ir.ameriprise.com. You can request a copy of the Compensation Consultant Policy by writing to Thomas R. Moore, Vice President, Corporate Secretary and Chief Governance Officer, 1098 Ameriprise Financial Center, Minneapolis, MN 55474. You may also call Mr. Moore at (612) 678-0106 or email him at thomas.r.moore@ampf.com. He will send you a copy of the policy without charge.

Under the committee's charter, the engagement letter between Cook and the committee, and the Compensation Consultant Policy, the committee is responsible for the appointment, oversight, amount of compensation, evaluation, retention, and termination of its compensation consultant. Cook works for and reports directly to the committee, not the Company's management, with respect to executive

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compensation matters. The committee recognizes that its consultant will necessarily work with representatives of management on executive compensation and other matters within the scope of the committee's responsibilities. When doing so, however, Cook will act as the committee's representative and solely on the committee's behalf.

In its capacity as the committee's consultant, Cook provided the following services, among others: advice and guidance with respect to trends and issues related to executive compensation; assisting the committee in benchmarking competitive compensation, including the composition of a peer group to be used as a market check or reference point in reviewing proxy compensation data; assisting the committee in developing an executive compensation philosophy and program suited to our business strategy and goals; and preparing reports and analyses for the committee's meeting materials. One or more representatives of Cook attend committee meetings as needed.

At a committee meeting held on February 24, 2012, the committee evaluated Cook's performance and confirmed that Cook continues to be independent of the Company's management, in light of the five independence standards established in the policy. The lead representative of Cook assigned to the committee engagement has certified in writing to the committee that Cook satisfies all five of the independence standards: Cook did not provide the Company with any products and services unrelated to the consultant's engagement with the committee; all products and services provided by Cook to the committee have been provided in the ordinary course of business and on substantially the same terms and conditions, including fees and charges, as would be available to similarly situated parties; Cook has not provided products or services to any executive officer of Ameriprise Financial as an individual client of the firm; the firm's representatives assigned to the engagement are not an "immediate family member", as defined in the policy, of any committee member or any executive officer of Ameriprise Financial; and the firm's representatives are not former employees of Ameriprise Financial or any of its affiliates.

Reporting to the Board. The committee chairman reports to the entire Board regarding each committee meeting. When appropriate these reports and related discussion are conducted in executive session, without management present. Before the committee takes final action with respect to compensation actions affecting the chief executive officer, it first discusses its proposed actions with the other independent directors, without management present.

Management discusses the proposed agenda for each committee meeting with the committee chairman in advance and it is reviewed with the other committee members in advance as well. The committee has adopted a policy of including an executive session on the agenda of each committee meeting. The committee members may decide, however, that an executive session is unnecessary at a particular meeting. This executive session is held without management present. The committee chairman has the authority to add or delete items from any proposed agenda, and to call special meetings of the committee at any time.

Compensation Committee Interlocks and Insider Participation. The Compensation and Benefits Committee members include Warren D. Knowlton, W. Walker Lewis, Siri S. Marshall, Jeffrey Noddle, chairman, and Robert F. Sharpe, Jr. None of the members is a former or current officer or employee of the Company or any of its subsidiaries, or is an executive officer of another company where an executive officer of Ameriprise Financial is a director.

Nominating and Governance Committee

The Nominating and Governance Committee operates under a written charter that is posted on our website on the Corporate Governance page of the "Company Information" section at ir.ameriprise.com. The committee's purposes are to: assume a leadership role in shaping the corporate governance of the Company; promote the effective functioning of the Board and its committees; advance the best interests of the Company and its shareholders through the implementation, oversight, and disclosure of sound

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corporate governance guidelines and practices; periodically review the compensation of outside directors and recommend changes to the Board for approval; and promote the clear and complete disclosure to shareholders of material information regarding the compensation and benefits of the Company's outside directors.

In 2011, the committee amended its charter, with the Board's approval, to include oversight responsibility for corporate political spending. Based on the committee's recommendation, the Board also approved a Statement of Principles Governing Corporate Political Spending, which is posted on our website at *ir.ameriprise.com*, to govern those contributions and expenditures, if any, made at the direction of the Company's officers with corporate funds. After review by the committee or its chairman, the Company will post on its website an annual corporate political spending report.

The committee has adopted a policy of including an executive session attended by committee members only on the agenda of each committee meeting. The committee members may decide, however, that an executive session is unnecessary at a particular meeting.

Director Nomination Process. The Nominating and Governance Committee considers and recommends candidates for election or appointment to the Board. The committee also considers candidates for election to the Board submitted by shareholders. Each member of the committee participates in the review and discussion of director candidates. In addition, members of the Board of Directors who are not on the committee may meet with and evaluate the suitability of candidates. In making its selections of candidates to recommend for election or appointment, the committee will apply the standards and criteria set forth under the caption "Director Qualifications and Board Policies" beginning on page 9 of this proxy statement. The committee applies the same standards in considering candidates submitted by shareholders as it does in evaluating candidates submitted by members of the Board of Directors.

Shareholders who wish to submit nominees for election at an annual or special meeting of shareholders must follow the procedures described on page 70. Shareholders who wish to submit a candidate for consideration by the Nominating and Governance Committee may do so by sending the candidate's name and supporting information to Thomas R. Moore, Vice President, Corporate Secretary and Chief Governance Officer, at the address shown on page one under "General Information."

Audit Committee

The responsibilities of the Audit Committee are described in its written charter and in the following required Audit Committee Report. A copy of the committee's charter is posted on our website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*. The committee's purposes are to provide assistance to the Board of Directors by: monitoring the integrity of the consolidated financial statements of the Company; monitoring compliance by the Company with legal and regulatory requirements and the Company's Code of Conduct; evaluating and monitoring the independent auditors' qualifications and independence; evaluating and monitoring the performance of the Company's internal audit function and independent auditors, with respect to the parent company and its subsidiaries; and addressing the finance and risk management matters specified in its charter.

The committee has adopted a policy of including executive sessions on the agenda of each committee meeting. Such executive sessions may include committee members only, or may include separate executive sessions between the committee members and the general auditor, representatives of our independent auditors, or representatives of management, including our chief executive officer, chief financial officer, and general counsel. The committee members may decide, however, that executive sessions are not required at a particular meeting.

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Audit Committee Financial Experts. The Board has determined that Mr. Turner and Mr. Sarles are "audit committee financial experts" as defined by the Securities and Exchange Commission regulations and that they have accounting or related financial management expertise, as the Board interpreted such qualification in its business judgment. The Board has also determined that each Audit Committee member is financially literate, as that term is interpreted by the Board in its business judgment.

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee's job is one of oversight as set forth in its charter. It is not the duty of the Audit Committee to prepare the Company's consolidated financial statements, to plan or conduct audits or investigations, or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. The Company's management is responsible for preparing the Company's consolidated financial statements and for establishing and maintaining effective internal control over financial reporting. The Company's management is also responsible for its assessment of the effectiveness of internal control over financial reporting. The independent registered public accountants are responsible for the audit of the Company's consolidated financial statements and the audit of the effectiveness of the Company's internal control over financial reporting. In addition, the independent registered public accountants are responsible for the audit of management's assessment of the effectiveness of internal control over financial reporting.

In the performance of its oversight function, the Audit Committee has reviewed and discussed with management and the independent registered public accountants the Company's audited financial statements. The Audit Committee also has discussed with the independent registered public accountants the matters required to be discussed by Statement on Auditing Standards No. 61 relating to communication with audit committees. In addition, the Audit Committee has received the written disclosures and the letter from its independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountants' communications with the Audit Committee concerning independence and has discussed with the independent accountants its independence.

The Audit Committee discussed with the Company's general auditor and independent registered public accountants the overall scope and plans for their respective audits. The Audit Committee meets with the general auditor and independent registered public accountants, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. In addition, the Audit Committee meets with the chief executive officer and chief financial officer of the Company to discuss the Company's control environment and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the Company's audited financial statements be included in the Company's 2011 Annual Report to Shareholders and, for filing with the Securities and Exchange Commission, the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

MEMBERS OF THE AUDIT COMMITTEE:

William H. Turner, Chairman
Lon R. Greenberg
Warren D. Knowlton
H. Jay Sarles
Robert F. Sharpe, Jr.

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Compensation of Directors

Our compensation philosophy for outside directors. We compete with other companies for executive talent, as we explain in the Compensation Discussion and Analysis later in this proxy statement. We must also compete with them for persons with the ability, integrity, experience, and judgment required to serve on the board of a public company. We need to attract and retain directors who meet the high qualification standards set by our Board of Directors. In order to do so, we must offer a compensation package that is both competitive and fair in view of the significant time commitment and responsibilities that come with a director's job. Only outside directors receive compensation for serving on our Board. Mr. Cracchiolo does not receive any additional compensation for his service as a director.

We believe that our outside directors should have a substantial personal financial stake in the Company. Accordingly, a significant portion of our directors' compensation package is equity-based. Also, a director is expected to have an equity holding in the Company with a market value of five times the amount of the current annual cash retainer upon attainment. The current annual cash retainer for the directors is \$80,000. A decrease in the price of a share of our common stock after a director has attained the required ownership threshold will not negate the director's satisfaction of this requirement. A director must reach this goal within five years of joining our Board. Shares of our common stock and deferred share units both count toward this goal. Using a closing price of \$56.20 for a share of our common stock on the record date of February 27, 2012, the value of the common stock and deferred share units beneficially held by our outside directors on that date was as follows, rounded to the nearest dollar: Ms. Marshall (\$956,131); and Messrs. Greenberg (\$337,088); Knowlton (\$1,265,118); Lewis (\$1,034,530); Noddle (\$1,698,252); Sarles (\$1,631,036); Sharpe (\$3,465,910); and Turner (\$1,157,887).

How and why our outside directors' compensation was determined. The Board's Nominating and Governance Committee is responsible under its charter for overseeing the compensation and benefits paid to our outside directors. The committee will periodically review the appropriateness of the outside directors' compensation package.

The committee will discuss with an independent consultant any proposed changes to the compensation of outside directors. The committee will then recommend to the Board that it approve such changes as the committee believes are reasonable and appropriate, based on the consultant's report and findings. If the Board approves the committee's recommendations, the new compensation package will become effective as of a date set by the Board.

Changes made to the outside directors compensation program approved by the Board in 2011. At its meeting held on June 7, 2011, the Board approved changes to the outside directors' compensation program as recommended by the Nominating and Governance Committee. The committee based its recommendations on a report prepared by Frederic W. Cook & Co., Inc., its independent compensation consultant. The consultant's report found that current annual cash and equity compensation paid on a per director basis was two percent below median relative to the peer group companies and that only minor changes were needed to the director compensation program.

As recommended by its Nominating and Governance Committee, the Board approved the following changes effective as of July 1, 2011:

the annual cash retainer for the chairmen of the Compensation and Benefits Committee and Nominating and Governance Committee was increased from \$10,000 to \$15,000, prorated accordingly for the remainder of 2011;

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the dollar amount of the annual grant of deferred share units was increased from \$100,000 to \$115,000, in order to stay consistent with trends in director compensation and better account for the current structure of committee cash retainer compensation; and

the required equity ownership level for each outside director was increased to five times the current annual cash retainer with a provision that the dollar amount of the equity ownership level will increase accordingly with the annual cash retainer.

This chart summarizes the current compensation program for our outside directors. We do not pay meeting fees or grant stock options or restricted stock to our outside directors.

Outside Directors Compensation Program for 2011

Annual Cash Retainer	\$80,000
Annual Equity Retainer	\$115,000(1) in the form of Deferred Share Units
Board Meeting Fees	No board meeting fees
Committee Meeting Fees	No committee meeting fees
Committee Member Annual Retainer	Committee members receive an annual retainer as follows: Audit Committee \$15,000; Compensation and Benefits Committee \$10,000; and Nominating and Governance Committee \$10,000. There is no committee member retainer for the members of the Executive Committee.
Committee Chairman Annual Retainer	Committee chairmen receive an annual retainer <i>in addition to</i> the committee member retainer, as follows: Audit Committee chairman \$40,000 (\$55,000 total committee retainer); Compensation and Benefits Committee chairman \$15,000(2) (\$25,000 total committee retainer); and the Nominating and Governance Committee chairman \$15,000(2) (\$25,000 total committee retainer)
Charitable Matching Gift Program	Up to \$2,000 annually

(1) The annual equity retainer was increased from \$100,000 to \$115,000 effective July 1, 2011.

(2) The committee chairman annual retainer for the Compensation and Benefits Committee and Nominating and Governance Committee was increased from \$10,000 to \$15,000 effective as of July 1, 2011.

Perquisites and Personal Benefits. Our outside directors receive occasional perquisites or personal benefits of reasonable value, such as: commemorative items in connection with their Board service; welcoming gifts at the hotel where they stay during Board meetings or events; holiday gifts; and recreational or other services and amenities when attending an off-site Board long-range planning meeting. We do not provide our directors with a tax gross-up amount on any gifts or other items given to them.

We pay for or reimburse our outside directors for their reasonable travel, lodging, food and other expenses related to their attendance at Board, committee or annual shareholder meetings. Our outside directors may use our corporate aircraft for Board-related travel, subject to the aircraft's

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availability and other restrictions. In extraordinary or unusual circumstances, such as a family emergency, we may make our corporate aircraft available to our outside directors on an exception basis.

Our outside directors are eligible to participate in our charitable gift matching program on the same basis as our employees. We will match a director's personal contributions to one or more qualifying charitable organizations subject to an annual aggregate limit, which is currently \$2,000. Directors' requests for matching gifts are processed by the same outside vendor that we use for employee matching gift requests.

Other Assistance and Payments. As is true at many other public companies, our in-house counsel and other employees, as well as outside counsel, assist our outside directors in satisfying their legal reporting obligations under Section 16(a) of the Securities Exchange Act of 1934, as amended. We pay

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for the fees and expenses related to the preparation and filing of Securities and Exchange Commission Forms 3, 4 and 5 for our outside directors, but only for transactions in our equity securities.

A director's Section 16(a) reporting obligations for transactions in our equity securities are imposed solely due to his or her service on our Board. Therefore, we do not consider such assistance and related payments to be perquisites or personal benefits. Nevertheless, we have provided this information to you in the interests of full and transparent disclosure.

2011 Director Compensation

This table shows the total compensation paid to our outside directors during 2011. The table also discloses other payments, such as deemed dividends on deferred share units and the amount of charitable matching gifts we made, if any, for a director.

Name	Annual Retainer Earned	Committee Chairman Retainer Earned	Committee Member Retainer Earned	Stock Awards(1)	All Other Compensation(2)	Total
	or Paid in Cash	or Paid in Cash	or Paid in Cash			
Lon R. Greenberg(3)	\$ 45,275		\$ 3,750	\$ 98,333	\$ 862	\$ 148,220
Warren D. Knowlton(4)	80,000		25,000	115,000	14,811	234,811
W. Walker Lewis	80,000	\$ 3,242(5)	20,000	115,000	13,725	231,967
Siri S. Marshall	80,000	12,500(6)	20,000	115,000	15,725	243,225
Jeffrey Noddle	80,000	8,137(7)	20,000	115,000	25,024	248,161
H. Jay Sarles	80,000		25,000	115,000	13,725	233,725
Robert F. Sharpe, Jr.	80,000		25,000	115,000	21,432	241,432
William H. Turner	80,000	40,000	15,000	115,000	13,725	263,725

(1)

The dollar amounts in this column show the grant date fair value of the annual grant of deferred share units. The number of deferred share units credited to a director's account is calculated as follows: the dollar value to be received by the director is divided by the average value of a share of our common stock for the five trading days immediately preceding the fifth trading day following the first quarter earnings release date.

(2)

The dollar amount shown in this column is the total of: deemed dividends credited during 2011 to a director's plan account and reinvested in additional deferred share units; and charitable matching gifts we made during 2011 to one or more charitable organizations on behalf of the director. The aggregate incremental cost of perquisites and personal benefits is less than \$10,000 for each director. As a result, the Securities and Exchange Commission does not require us to disclose those costs. All deemed dividends were credited at the same rate as the dividends paid to holders of shares of our common stock.

For your convenience, we've broken out the two components of "All Other Compensation" in the chart below. Dollar amounts in each component have been rounded to the nearest dollar.

Name	Deemed Dividends	Charitable Matching Gifts
------	------------------	---------------------------

Lon R. Greenberg	\$	862	\$	0
Warren D. Knowlton		13,811		1,000
W. Walker Lewis		13,725		0
Siri S. Marshall		13,725		2,000
Jeffrey Noddle		25,024		0
H. Jay Sarles		13,725		0
Robert F. Sharpe, Jr.		21,432		0
William H. Turner		13,725		0

- (3) Mr. Greenberg was appointed a director as of June 7, 2011, and his compensation was prorated accordingly.
- (4) Mr. Knowlton elected to defer 100% of his cash retainers for 2011 under the Ameriprise Deferred Compensation Plan for Outside Directors. In lieu of cash, Mr. Knowlton received an aggregate total of deferred share units of 1,933 in his deferred compensation accounts. That number does not include deemed dividends on those units that were reinvested in additional deferred share units.
- (5) Mr. Lewis served as chairman of the Compensation and Benefits Committee until April 27, 2011.

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(6) Reflects the increase in committee chairmen retainers effective as of July 1, 2011, as discussed on pages 18-19.

(7) Mr. Noddle was appointed chairman of the Compensation and Benefits Committee as of April 27, 2011.

Deferred Share Plan for Outside Directors. All of our outside directors participate in the Ameriprise Financial Deferred Share Plan for Outside Directors. Each outside director receives an annual grant of deferred share units immediately following the annual meeting of shareholders. A deferred share unit is a phantom share of our common stock that tracks the value of our common stock. A deferred share unit receives deemed dividends in the same amount paid on a share of our common stock, but it has no voting rights. Outside directors may also choose to defer part or all of their annual cash retainer and any committee chairman's retainer under the plan. This deferral feature is voluntary and during 2011 one of our directors, Mr. Knowlton, elected to defer 100% of his cash retainers into deferred share units.

Table of Contents**Outside Directors Deferred Share Plan**

FEATURE	ANNUAL GRANT	ELECTIVE RETAINER DEFERRAL
Amount	\$115,000	Before the beginning of each calendar year, a director may elect to defer up to 100% of the annual cash retainer and any committee chairman or member retainer, in 25% increments
	Outside directors whose first term is less than one year long will receive a pro-rata grant based on their length of service between their appointment to the Board and the next annual meeting of shareholders	
Investment Options	Only investment option is Ameriprise deferred share units, credited to a separate annual equity grant deferred share unit account	Director may choose to invest deferred amounts in one or both of these options: Ameriprise deferred share units or a cash account that receives a market rate of interest, credited on the last day of each month
Number of Deferred Share Units Credited	The number of deferred share units is determined by dividing the dollar amount awarded by the average closing price of a share of our common stock for the five trading days following the date of our annual shareholders meeting, or the five trading days following the appointment date of a director who joins the Board after the date of the most recent annual meeting	The number of units credited is determined by dividing the quarterly deferral amount by the average closing price of a share of our common stock for the five trading days following the public release of our earnings results for the immediately preceding quarter
Dividend Equivalent Reinvestment	Account is credited with additional deferred share units on each dividend payment date for our common stock	Deemed dividends on deferred share units are reinvested in the same manner used for the annual equity grant account
	Number of additional units is calculated by first multiplying the number of units held	

on the dividend record date by the dividend payable on a share of our common stock; that number is then divided by the average of the high and low prices of a share of our common stock on the dividend payment date

Distribution

Single payment in shares of our common stock following the director's end of service

A director makes a distribution election at the same time he or she makes a deferral election, and that election applies to that year's deferrals. A director makes a new distribution election each year. A director has three distribution choices:

Lump sum on March 31 of a specified year

Lump sum following the director's end of service

Up to five annual installments following the director's end of service

Change in Control

Upon a change in control, the entire account will be distributed in shares of our common stock

Upon a change in control, all amounts held in either account will be distributed as explained immediately above

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Deferred share units issued to outside directors in 2011. This table shows the number of deferred share units issued to outside directors during 2011. In order to simplify the presentation, we have rounded the numbers shown to the nearest unit. During 2011, directors' accounts were credited with deemed dividends on the deferred share units. These deemed dividends were reinvested in additional deferred share units at the same rate as those paid on a share of the Company's common stock.

Name	DSU Balances as of December 31, 2010			DSUs Credited During 2011				DSU Balances as of December 31, 2011		
	Annual Equity Grant	Retainer Deferral	Total DSUs	Annual Equity Grant	Reinvested Deemed Dividends	Retainer Deferral	Total DSUs	Annual Equity Grant	Retainer Deferral	Total DSUs [nc_cad,217]
Lon R. Greenberg	n/a	n/a	n/a	1,868	20	0	1,888	1,888	0	1,888
Warren D. Knowlton	11,046	1,203	12,249	1,895	279	2,853	5,027	13,161	4,116	17,277
W. Walker Lewis	14,261	0	14,261	1,895	276	0	2,171	16,432	0	16,432
Siri S. Marshall	14,261	0	14,261	1,895	276	0	2,171	16,432	0	16,432
Jeffrey Noddle	14,261	12,914	27,175	1,895	502	0	2,397	16,432	13,140	29,572
H. Jay Sarles	14,261	0	14,261	1,895	276	0	2,171	16,432	0	16,432
Robert F. Sharpe, Jr.	14,261	8,809	23,070	1,895	430	0	2,325	16,432	8,963	25,395
William H. Turner	14,261	0	14,261	1,895	276	0	2,171	16,432	0	16,432

Includes 2010 deemed dividends reinvested in additional Deferred Share Units.

[nc_cad,217]

Includes 2011 deemed dividends reinvested in additional Deferred Share Units.

Table of Contents**Ownership of Our Common Shares**

The table below shows how many Ameriprise common shares certain individuals and entities beneficially owned on February 27, 2012. These individuals and entities include: (1) owners of more than 5% of our outstanding common shares; (2) our current directors; (3) the five executive officers named in the compensation tables included in subsequent sections of this proxy statement; and (4) all current directors and executive officers as a group. A person has beneficial ownership over shares if the person has or shares voting or investment power over the shares or the right to acquire such power within 60 days of February 27, 2012. Investment power means the power to direct the sale or other disposition of the shares. Each person has sole voting and investment power over the shares, except as we describe below.

The column captioned "Deferred Share Units" shows DSUs owned by non-management directors through the Outside Directors Deferred Share Plan and phantom units owned by the executive officers under the Company's Supplemental Retirement Plan. The information in this column is not required by the rules of the Securities and Exchange Commission because these units carry no voting rights and will be settled in shares of common stock that the recipient does not have the right to acquire within 60 days of February 27, 2012. Nevertheless, we believe that this information provides a more complete picture of the financial stake that our directors and executive officers have in the Company.

Name	Number of Shares Owned(3)(4)	Right to Acquire(5)	Percent of Class(%)	Deferred Share Units
Wellington Management Company, LLP 40 East 52nd Street New York, NY 10022	16,200,018(1)		7.16	
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	14,302,247(2)		6.32	
Lon R. Greenberg	4,100		*	1898
Warren D. Knowlton	5,000		*	17,511
W. Walker Lewis	1,895		*	16,513
Siri S. Marshall	500		*	16,513
Jeffrey Noddle	500		*	29,718
H. Jay Sarles	12,509(6)		*	16,513
Robert F. Sharpe, Jr.	36,150(7)		*	25,521
William H. Turner	4,090(8)		*	16,513
James M. Cracchiolo	255,290	3,717,847	1.79	96,201
Walter S. Berman	51,157	634,322	*	30,537
William F. Truscott	93,319	596,728	*	2,653
Glen Salow	123,533	827,870	*	133
Donald E. Froude	43,843	189,746	*	37,162
All current directors and executive officers (20 individuals)	801,108	7,351,947	3.68	340,275

*
Less than 1%.

(1)

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Based on information contained in a report on Schedule 13G filed with the Securities and Exchange Commission on February 14, 2012, by Wellington Management Company, LLP, which contained information as of December 31, 2011.

(2)

Based on information contained in a report on Schedule 13G filed with the Securities and Exchange Commission on February 13, 2012, by BlackRock, Inc., which contained information as of December 31, 2011.

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- (3) This column includes shares held in employee benefit plan accounts on February 27, 2012, as follows:

Name	Number of Shares in Plan Accounts
James M. Cracchiolo	1,345
Walter S. Berman	284
William F. Truscott	241
Glen Salow	309
Donald E. Froude	3,101
All executive officers, including those named above	9,858

- (4) Executive officers hold restricted shares that we include in this column. The executive may vote the restricted shares, but may not sell or transfer them during the restricted period. These restrictions lapse over a period of years. The individuals in the table hold the following number of restricted shares:

Name	Number of Restricted Shares
James M. Cracchiolo	76,423
Walter S. Berman	23,670
William F. Truscott	26,434
Glen Salow	10,320
Donald E. Froude	18,929
All executive officers, including those named above	205,767

- (5) These are shares that the named individuals have the right to acquire within 60 days of February 27, 2012, upon the exercise of stock options that they hold.

- (6) Shares are held indirectly in the H. Jay Sarles Revocable Trust.

- (7) Includes 17,500 shares held in the Robert F. Sharpe, Sr. Credit Shelter Trust, 1,650 held in the Audrey R. Sharpe Trust, and 2,000 shares held in an Individual Retirement Account.

- (8) Includes 80 shares held indirectly in the William H. Turner Individual Retirement Account and 10 shares held in the Turner Family Foundation.

Items to Be Voted on by Shareholders

Item 1 Election of Directors

This is the final year our directors will stand for election or re-election by class. Beginning at our 2013 annual meeting, you will vote for all director candidates at each annual meeting. This year's four nominees include our newest director, Lon R. Greenberg. The Board appointed Mr. Greenberg to our Board of Directors as of June 7, 2011.

Our Board of Directors has fixed the number of directors at nine, divided into three classes of nearly equal size. The members of each class are elected to serve a term of office for each class as described below. If, during the year, a director resigns or retires, the Board of Directors, upon the recommendation from the Nominating and Governance Committee, may appoint another director as a replacement. The Board may add new members during the year based on a number of factors, such as the size of the Board and the Board's desire to add fresh perspectives or expertise.

At this year's annual meeting, the terms of our Class I directors will expire. Our By-Laws and the corporate governance listing standards of the New York Stock Exchange require that the three classes of directors be as nearly equal in number as possible and that a majority of directors be elected at least once every two years. At our 2010 annual meeting of shareholders, our shareholders approved an amendment to Article V of the Company's Certificate of Incorporation that provides for the elimination of the Company's classified board structure effective as of the 2013 annual meeting of shareholders.

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Accordingly, the directors elected at this annual meeting of shareholders will be elected for a one-year term ending at the 2013 annual meeting. The declassification of our Board is being implemented as follows:

Annual Meeting Year	Length of Term for Directors Elected	Year that Term Would Expire
2010	Three Years	2013
2011	Two Years	2013
2012	One Year	2013
2013 and thereafter	Annual Election	Succeeding Year

The Board has appointed Walter S. Berman, John C. Junek, and Thomas R. Moore as proxies who will vote your shares on your behalf. Their names appear on the proxy card. Proxies will be voted FOR the election of each of the four nominees unless you indicate on the proxy card or voting instructions that you vote "Against", or "Abstain" from voting with respect to, any or all of the nominees. The telephone and Internet proxy submission procedures will include instructions on how to abstain from voting with respect to any or all nominees. We expect that each nominee will be able to serve if elected as a director. However, if any nominee is not able to serve, the persons named as proxies may vote for another person nominated by the Nominating and Governance Committee. Alternatively, the Board of Directors, at its option, may reduce the number of directors constituting Class I directors.

We currently expect that the election of directors will be uncontested and therefore the nominees for director will be subject to a majority voting standard, as explained in more detail on page three.

The Board of Directors recommends a vote FOR the election of the four director nominees. Proxies will be voted FOR the election of all nominees unless otherwise specified.

The nominees for election as director and the directors whose terms of office will continue after the meeting have provided the following information about themselves.

The Securities and Exchange Commission's rules require us to discuss briefly the specific experience, qualifications, attributes or skills that led the Board to conclude that each director or nominee for director should serve on our Board of Directors. We've provided this discussion in a separate paragraph immediately below the biographical information provided by each director in the following section.

All of our directors possess the minimum qualities and skills described in the section of the proxy statement captioned "Director Qualifications and Board Policies", beginning on page nine. In addition, one or more of our directors possess the specific qualities or skills considered necessary by the Nominating and Governance Committee, also described in that section.

As you read the disclosures, please keep these points in mind. First, if a specific qualification, attribute or skill is ascribed to one or more directors, that doesn't necessarily imply that other directors don't possess that qualification, attribute or skill. Second, this disclosure does not impose on the director any duties, obligations or liability that are greater than the duties, obligations, and liability imposed on each member of the Board of Directors. Third, the disclosure does not affect the duties, obligations, or liability of any other member of the Board of Directors.

Because the discussion of the specific experience, qualifications, attributes or skills of a director is to be made each year in light of the Company's business and structure at that time, the content of this discussion may change for one or more directors in future years.

Table of Contents**Class I Directors Nominees for Terms Ending In 2013**

Lon R. Greenberg: Age 61, director since June 7, 2011. Mr. Greenberg has been Chairman and Chief Executive Officer of UGI Corporation since 1996. UGI Corporation is a distributor and marketer of energy products and services including propane, butane, natural gas and electricity. He joined UGI in 1980 and held various positions until he became CEO in 1995. He is also Chairman of AmeriGas Propane, Inc. Prior to joining UGI, Mr. Greenberg received his B.S. in Economics from The Wharton School of the University of Pennsylvania. He continued his education at Villanova Law School and the Harvard Business School's Advanced Management Program. After clerking for the Superior Court of Pennsylvania, he joined the law firm of Morgan Lewis. Mr. Greenberg also serves on the boards of directors of Aqua America, Inc.; Temple University and Temple University Health System; Reading Is Fundamental; PA Business Council; the Greater Philadelphia Chamber of Commerce's CEO Council for Growth and the United Way of Southeastern PA (currently serves as Vice Chairman). Mr. Greenberg is a former Chairman of the World LP Gas Association.

Mr. Greenberg, who is an attorney-at-law, has served as the chairman and chief executive officer of a public company since 2005. He has broad experience with the financial, risk management, operational, regulatory and corporate governance issues affecting a public company and its shareholders. Mr. Greenberg also has significant experience in mergers and acquisitions, both in the United States and abroad, which will enable him to provide valuable advice and insights on future transactions to the Board and management. With the advice and assistance of a nationally recognized search firm, the Board's independent Nominating and Governance Committee conducted a year-long selection process that included a number of potential candidates other than Mr. Greenberg. The Committee's due diligence efforts included interviews of Mr. Greenberg by a majority of all directors and a review of numerous comments provided by references familiar with Mr. Greenberg. As a result of those due diligence efforts, the Committee and the Board concluded that Mr. Greenberg has the integrity, independence of thought, work ethic, analytical skills and knowledge necessary to enhance the Board's effectiveness.

Warren D. Knowlton: Age 65, director since September 28, 2006. Mr. Knowlton is the former chairman of Graham Packaging Company, L.P., a leading international supplier of plastic food and beverage containers, having served in that position from 2008 until he resigned as of January 1, 2010. Formerly, Mr. Knowlton served as chairman and chief executive officer of Graham Packaging Company, L.P. from December 2006 to December 2008. Prior to joining Graham Packaging Company, L.P., Mr. Knowlton was the chief executive officer and board member of The Morgan Crucible Company plc, a U.K.-based engineered specialty materials company with global operations. Prior to joining The Morgan Crucible Company plc, he held senior leadership positions with Pilkington plc and Owens Corning in both the U.S. and international markets. Mr. Knowlton resigned from his position as a director of Smith & Nephew in 2010, having served on its board since 2000.

Mr. Knowlton's experience as the chairman and chief executive officer of a multinational company has enabled him to advise the Board and management on long-range and business planning, executive compensation programs and trends in client needs. Mr. Knowlton is also the only director who is a certified financial planner, which gives him a unique insight into our integrated business model. He continues to travel globally for business purposes and has lived outside the United States and run two multi-national companies. Therefore, he can provide a comparative view of how companies in other countries, particularly the United Kingdom, address corporate governance and compensation issues.

Jeffrey Noddle: Age 65, director since September 20, 2005. Mr. Noddle served as chairman of the board of directors of SUPERVALU INC. from 2002 until he retired in 2010. Previously, Mr. Noddle also

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served as chief executive officer of SUPERVALU since 2001. Prior to that time, Mr. Noddle held a number of other leadership positions at SUPERVALU, including president and chief operating officer from 2000-2001, corporate executive vice president and president and chief operating officer of SUPERVALU's distribution food companies, corporate vice president merchandising and president of the company's Fargo and former Miami divisions. Mr. Noddle is the immediate past chairman of the board of directors of The Food Marketing Institute. In addition, he serves as a member of the boards of directors of Donaldson Company, Inc., The Food Industry Center at the University of Minnesota and the Carlson School of Management at the University of Minnesota.

Mr. Noddle's service as the chairman and chief executive officer of a Fortune 500 company provided him with valuable experience in a number of areas that are important to the Company, including: mergers and acquisitions, including integration planning and execution; shareholder relations and communications; corporate governance issues; executive officer succession planning; balance sheet management; financial reporting; and long-range planning. He also has contributed to the Board's knowledge of the director recruitment process as it continues to review the current composition and needs of the Board.

Robert F. Sharpe, Jr.: Age 59, director since September 30, 2005. Mr. Sharpe retired in November 2010, having most recently served as a senior advisor to ConAgra Foods, Inc. Previously, he had served in a variety of senior positions with ConAgra since November 2005, including President of Commercial Foods since 2008 and Chief Administrative Officer since 2009. From 2002 until joining ConAgra, Mr. Sharpe was a partner at the Brunswick Group LLC, an international financial public relations firm. Prior to that, he served as senior vice president public affairs, secretary and general counsel for PepsiCo, Inc. from 1998 to 2002. Previously, Mr. Sharpe was senior vice president and general counsel for RJR Nabisco, Inc. Mr. Sharpe is a member of the board of directors of Swedish Match AB.

Mr. Sharpe, who is an attorney-at-law, has been responsible for a wide range of functions as an executive officer and general counsel of Fortune 500 companies. His day-to-day experience with the current financial, legal, regulatory and operational issues facing public companies has been valuable to the Board. Mr. Sharpe has shared fresh approaches to executive compensation programs with the Board and has advised it on communications with our institutional shareholders. In addition, he has a sound understanding of risk management, financial reporting and disclosure and corporate governance issues.

Class II Directors Terms Ending In 2013

James M. Cracchiolo: Age 53, Chairman and Chief Executive Officer of the Company since September 30, 2005. Mr. Cracchiolo has been chairman and chief executive officer of Ameriprise Financial, Inc. since September 30, 2005, when American Express Financial Corporation completed its spin-off from American Express Company. Prior to that, Mr. Cracchiolo was chairman and chief executive officer of American Express Financial Corporation since March 2001, president and chief executive officer of American Express Financial Corporation since November 2000, and group president, global financial services of American Express since June 2000. He served as chairman of American Express Bank Ltd. from September 2000 until April 2005 and served as president and chief executive officer of Travel Related Services International from May 1998 through July 2003. Mr. Cracchiolo joined American Express in 1982. He is also on the board of advisors of the March of Dimes and previously had served on the board of Tech Data Corporation.

Mr. Cracchiolo has 30 years of experience in the financial services industry. He held senior leadership positions at the American Express Company and its various subsidiaries before becoming the chairman and chief executive officer of Ameriprise Financial when it became a public company in 2005 as a result of our spin-off from American Express. Those positions gave

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Mr. Cracchiolo experience as a chief financial officer, a manager of significant business lines, and a leader of large, complex global operations. As a result of this experience, Mr. Cracchiolo brings to the Board valuable skills and a strong background in: financial controls and reporting; balance sheet management; risk management; marketing; annual and long-term business planning; and the negotiation and integration of acquisitions. Mr. Cracchiolo serves on the board of directors of the American Council of Life Insurers and The Financial Services Roundtable and is a member of Business Roundtable. His involvement with these organizations enables Mr. Cracchiolo to keep the Board informed on current legislative, regulatory, and economic issues relevant to our businesses.

Mr. Cracchiolo holds a bachelor's degree in accounting and economics and a master's of business administration degree in finance, both from New York University. He also holds a Certified Public Accountant designation in New York State and is certified as a General Securities Representative and General Securities Principal in the United States.

H. Jay Sarles: Age 66, director since September 30, 2005. Mr. Sarles is retired, having most recently served as vice chairman of Bank of America Corporation. Prior to that, he served as vice chairman and chief administrative officer of FleetBoston Financial with responsibility for administrative functions, risk management, technology and operations, treasury services, corporate strategy and mergers and acquisitions. During his 37 years at Fleet, Mr. Sarles oversaw virtually all of Fleet's businesses at one time or another, including the company's wholesale banking businesses from 2001 to 2003. These included commercial finance, real estate finance, capital markets, global services, industry banking, middle market and large corporate lending, small business services and investment banking businesses. Mr. Sarles is also a member of the boards of directors of AvalonBay Communities, Inc., ConnectEDU and Dental Service of Massachusetts, Inc., and is a trustee of Mount Holyoke College. Previously, Mr. Sarles had served as director of Carlyle Capital Corporation from 2006 to 2009.

Mr. Sarles has four decades of experience in the financial services industry. As an executive officer at Bank of America Corporation and FleetBoston Financial, he oversaw a wide range of businesses and functions, including technology and operations, treasury services, corporate strategy, mergers and acquisitions and investment banking. As a result, Mr. Sarles makes a valuable contribution to the Board in areas that include balance sheet management, financial reporting and disclosure, risk management, the integration of acquisitions, and long-range planning. Mr. Sarles also serves on several other boards of directors, which allows him to bring a broad perspective on board-related matters to our Board of Directors.

Class III Directors Terms Ending In 2013

W. Walker Lewis: Age 67, director since September 30, 2005. Mr. Lewis serves as chairman of Devon Value Advisers, a financial consulting and investment banking firm that he founded in 1997. Prior to that, Mr. Lewis was a senior advisor at Dillon Read and served as a managing director of Kidder Peabody, where he was a member of the firm's management committee. From 1991 to 1993, Mr. Lewis was president of Avon Products Incorporated, North America and a member of the Office of the Chairman of Avon Incorporated. For over twenty years, from 1970 to 1991, Mr. Lewis was a strategic management consultant at Boston Consulting, as Founding Chairman of Strategic Planning Associates, and as Chairman of Mercer Management Consulting, a division of Marsh and McLennan. In his management consulting practice Mr. Lewis consulted to a number of money center banks, large life and casualty insurers, and money management companies. Mr. Lewis has served on twenty public company boards (Owens Corning, Scientific Games, American Management Systems, etc.), and private company boards (Mrs. Fields, Applied Predictive Technologies, etc.) and has participated in a number of public and private company transactions as a financial adviser, consultant, and board member.

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Mr. Lewis has many years of experience in financial and management consulting, investment banking and board service at a number of other public and private companies. In these capacities, he has participated in a number of public and private company transactions. As a result, he contributes to the Board's understanding of executive compensation issues, merger and acquisition activity, investor relations and long-range planning. His experience in investment banking has been particularly useful when the Board considers its capital and liquidity needs and potential acquisitions.

Siri S. Marshall: Age 63, director since September 30, 2005. Ms. Marshall is the former senior vice president, general counsel and secretary and chief governance and compliance officer at General Mills, Inc., having retired from those positions as of January 1, 2008. Prior to joining General Mills in 1994, Ms. Marshall was senior vice president, general counsel and secretary of Avon Products, Inc. Ms. Marshall is also a director of Equifax, Inc., Alphatec Holdings, Inc., BioHorizons, Inc. and the Yale Center for the Study of Corporate Law and is a Distinguished Advisor to the Straus Institute of Dispute Resolution, and a Trustee of the Minneapolis Institute of Arts. She has served as a director of NovaCare, Inc., Jafra Cosmetics International, Snack Ventures Europe and the American Arbitration Association. She has also served as a member of The New York Stock Exchange Legal Advisory Committee. Ms. Marshall was the recipient of the Sandra Day O'Connor Board Excellence Award in 2011.

Ms. Marshall is an attorney-at-law and former general counsel, chief governance officer, and compliance officer at a Fortune 500 company. As a result, she is very familiar with the broad range of executive leadership issues at large public companies, and in particular, legal, regulatory, and corporate governance challenges. Through her service on the boards of other companies and participation in panel discussions at conferences for directors and attorneys, she keeps the Board informed on current trends in corporate governance, the approaches taken by other companies to shareholder concerns, and emerging board practices. She has also offered insights into communications with institutional shareholders, proxy advisory firms, and the Board's responses to shareholder proposals and concerns.

William H. Turner: Age 71, director since September 30, 2005. Mr. Turner is the Chairman of International College and a senior advisor with Opera Solutions, LLC. Previously, he was the dean of Montclair State University until January 1, 2010, the founding dean of the College of Business at Stony Brook University, and a senior partner at Summus Limited. Prior to that, Mr. Turner was president and chief executive officer of PNC Bank, New Jersey from 1997 to 2000 and chairman of PNC Bank, N.A., New Jersey and Northeast Region from 2000 until his retirement in 2002. Before joining PNC, Mr. Turner was president and co-chief executive officer at Franklin Electronic Publishers, Inc. and vice chairman of Chemical Banking Corporation, which merged with The Chase Manhattan Corporation in 1995. Mr. Turner is currently a member of the boards of directors of Standard Motor Products, Inc. and Volt Information Sciences, Inc. Previously, Mr. Turner had served as director of Franklin Electronic Publishers, Inc. and New Jersey Resources, Inc.

Mr. Turner enjoyed a long career in the financial services industry, particularly in the retail banking sector. Originally trained as a credit officer, he has held a variety of senior banking positions. As a result, he is very familiar with the types of products and services that we offer to our clients and the importance of close cooperation with our regulators. He works closely with our chief financial officer, general auditor, and independent public accountants on a wide range of issues related to financial reporting and disclosure, risk management, regulatory compliance, balance sheet management, and internal controls. Mr. Turner has proven especially helpful in providing guidance and advice to our subsidiary Ameriprise Bank, FSB and the Audit Committee of another subsidiary, Threadneedle Asset Management Holdings Sarl. Mr. Turner's service on other boards and his past leadership roles in the academic world allow him to bring a wide range of experience and new insights to his service on our Board.

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Item 2 A Nonbinding Advisory Vote to Approve the Compensation of the Named Executive Officers

At our 2011 annual meeting, our shareholders strongly supported the Board's recommendation that a nonbinding advisory vote to approve the compensation of the named executive officers be held annually. As a result, you'll again have the chance to vote on this proposal at our 2013 annual meeting and at each annual meeting through our 2017 annual meeting. At the 2017 annual meeting, you will have another opportunity to vote on how frequently you would like this proposal to be presented to shareholders.

At our April 2010 annual meeting, we voluntarily gave our shareholders the opportunity to cast a nonbinding advisory vote on our executive compensation philosophy, objectives, and policies.

In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 was signed into law. Among other things, the Dodd-Frank Act requires us to provide shareholders a separate nonbinding advisory vote to approve the compensation of our named executive officers. The named executive officers are the five officers identified in the Summary Compensation Table on page 52 of this proxy statement. We held such a vote at our 2011 annual meeting in the manner required by the rules of the Securities and Exchange Commission.

The Compensation and Benefits Committee will review the results of the vote on this proposal carefully with the aid of its independent compensation consultant. Depending upon the results of that review, the committee will take such action, if any, as it deems appropriate. Because this vote is advisory, however, it is not binding on us, our Board of Directors, or the Board's Compensation and Benefits Committee. Also, a negative vote will not overrule any decision made by the Compensation and Benefits Committee.

Before you vote on the resolution below, please read the entire Compensation Discussion and Analysis beginning on page 35 carefully. The Compensation Discussion and Analysis contains important information about our executive compensation program. It also explains how and why the Compensation and Benefits Committee made specific decisions about the named executive officers' compensation for their 2011 performance. The final section of the Compensation Discussion and Analysis on page 52 describes the committee's consideration of the results of the vote on this proposal at our 2011 annual meeting.

You should also carefully review the tables that immediately follow the Compensation Discussion and Analysis, together with the related narrative disclosure and footnotes.

The Board of Directors recommends a vote FOR the following nonbinding advisory resolution. Proxies will be voted FOR the resolution unless otherwise specified:

RESOLVED, that the Company's shareholders hereby approve, on an advisory basis, the compensation of the named executive officers as disclosed in this proxy statement, in the Compensation Discussion and Analysis, the Summary Compensation Table, and the other related tables and disclosure.

Item 3 Ratification of Audit Committee's Selection of the Company's Independent Registered Public Accountants for 2012

PricewaterhouseCoopers LLP was our independent accounting firm for the 2011 fiscal year and the Audit Committee has engaged it for our 2012 fiscal year. Ernst & Young LLP was our independent accounting firm for the 2010 fiscal year. We disclose the fees paid to each firm for their services in this section.

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As previously disclosed by the Company, the Audit Committee of the Board of Directors determined not to engage Ernst & Young LLP as the Company's independent registered public accountants for the fiscal year ended December 31, 2011. Upon Ernst & Young's delivery of its Report of Independent Registered Public Accounting Firm dated February 29, 2011, in connection with the Company's filing of its 2010 Annual Report on Form 10-K, Ernst & Young concluded the 2010 fiscal year audit for the Company and completed its engagement. Ernst & Young's reports on the Company's consolidated financial statements for each of the years ended December 31, 2010, and December 31, 2009, did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

On November 28, 2011, the Audit Committee approved the engagement of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012. The Audit Committee confirmed its decision to appoint PricewaterhouseCoopers at the committee's meeting held on February 24, 2012.

We are asking shareholders to ratify the committee's engagement of PricewaterhouseCoopers, subject to the limitation stated in the last sentence of this paragraph. In the event the shareholders fail to ratify the appointment, the Audit Committee will consider other accounting firms for 2012. The Audit Committee will be under no obligation, however, to appoint new independent auditors.

One or more representatives of PricewaterhouseCoopers will be present at the meeting with the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

Independent Registered Public Accountant Fees

The following presents the aggregate fees billed for professional services by PricewaterhouseCoopers, the Company's independent registered public accounting firm for the year beginning January 1, 2011, in fiscal year 2011, and by Ernst & Young, the Company's independent registered public accounting firm for the year beginning January 1, 2010, in fiscal year 2010 for these various services:

Description of Fees	PricewaterhouseCoopers LLP Fiscal Year 2011 Amount	Ernst & Young LLP Fiscal Year 2010 Amount
Audit Fees	\$ 7,693,000	\$ 9,091,000
Audit-Related Fees	1,569,000	1,399,000
Tax Fees	1,993,000	1,483,000
All Other Fees	281,000	21,000
Total	\$ 11,536,000	\$ 11,994,000

Audit Fees. The audit fees set forth above consist of fees for professional services during each fiscal year in connection with the audit of the Company's annual financial statements, review of financial statements included in the Company's Quarterly Reports on Form 10-Q and services that were provided in connection with statutory and regulatory filings or engagements and other attest services.

Audit-Related Fees. The audit-related fees set forth above consist of fees for assurance and related services that were reasonably related to the performance of the audit or review of the Company's financial statements.

Tax Fees. The tax fees set forth above consist of fees for tax services during each fiscal year.

Services to Associated Organizations

PricewaterhouseCoopers and Ernst & Young also provided other services to associated organizations of the Company that were charged directly to those organizations. These amounts included \$9,131,000 for

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services provided by PricewaterhouseCoopers in 2011 and \$7,086,000 for services provided by Ernst & Young in 2010, primarily for performing audits and tax compliance services to mutual funds, collective funds, and alternative investment funds.

Policy on Pre-Approval of Services Provided by Independent Registered Public Accountants

Pursuant to the requirements of the Sarbanes-Oxley Act of 2002, the terms of the engagement of the Company's independent registered public accountants are subject to the specific pre-approval of the Audit Committee. All audit and permitted non-audit services to be performed by the Company's independent registered public accountants require pre-approval by the Audit Committee in accordance with pre-approval procedures established by the Audit Committee. The procedures require all proposed engagements of the Company's independent registered public accountants for services of any kind to be directed to the Company's general auditor and then submitted for approval to the Audit Committee or to the Audit Committee chairman prior to the beginning of any services. The Audit Committee has delegated such approval authority to its chairman, to be exercised in the intervals between committee meetings.

In 2011, 100% of the services provided by PricewaterhouseCoopers for the Company and its subsidiaries were pre-approved by the Audit Committee or its chairman.

The Board of Directors recommends a vote FOR the following resolution. Proxies will be voted FOR the following resolution unless otherwise specified:

RESOLVED, that the Audit Committee of the Board of Directors' selection of PricewaterhouseCoopers LLP, independent registered public accountants, to audit the accounts of the Company and its subsidiaries for 2012 is ratified.

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COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION AND BENEFITS COMMITTEE REPORT

The Compensation and Benefits Committee has reviewed and discussed with the Company's management the Compensation Discussion and Analysis that follows this report. Based upon that review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, and in this proxy statement.

MEMBERS OF THE COMMITTEE:

Jeffrey Noddle, Chairman

Warren D. Knowlton

W. Walker Lewis

Siri S. Marshall

Robert F. Sharpe, Jr.

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Compensation Discussion and Analysis

Introduction

In this section of the proxy statement, we describe the material elements of the compensation program for our executive officers, including those identified in the Summary Compensation Table on page 52, who are called named executive officers. We also provide an overview of our executive compensation philosophy and explain how and why our Board's Compensation and Benefits Committee arrives at specific compensation policies and decisions.

The Corporate Governance Framework of Our Executive Compensation Program

Our executive compensation program operates within a corporate governance framework that is designed to ensure independent oversight, objective advice and analysis, appropriate risk management, and transparency. These are some of the key elements of that framework and you can find additional details later in this Compensation Discussion and Analysis:

The Compensation and Benefits Committee is composed solely of independent directors;

The committee has retained Frederic W. Cook & Co., Inc. as its independent compensation consultant. Under the committee's written charter, the compensation consultant reports directly to the committee. The committee is solely responsible for the appointment, oversight, compensation, evaluation, retention, and termination of Cook or any other consultant or advisor. More details about the committee's independent compensation consultant are provided beginning on page 13;

Cook has confirmed in writing to the committee that it satisfies the independence standards set forth in the Compensation Consultant Policy adopted by the committee;

We explain how and when the committee grants equity awards on our website, together with a schedule of anticipated award dates for equity-based grants for the current year;

The committee is prohibited from repricing stock options;

None of our executive officers has an employment agreement with the Company;

We prohibit our executive officers from hedging against a decline in the value of our stock;

During 2011 we continued to examine the subject of risk and incentive compensation. When appropriate, the committee considers risk in its decisions related to executive compensation and the findings from our ongoing analyses are detailed on pages 45-46; and

The committee has implemented a clawback policy for all named executive officers and other executive officers in 2011. This policy specifies the circumstances under which the committee may exercise its discretion, to the extent permitted by law, to seek the reimbursement or forfeiture of certain cash or equity awards granted on or after January 1, 2011.

Following the annual review of post-employment compensation and benefit plans completed in 2011, the committee made changes to our executive compensation program beginning in 2012 to further align it with recent market trends and emerging practices. We'll include further details of these changes in our 2013 annual meeting proxy statement, but we provide a high-level overview here:

Eliminate Excise Tax Gross-Ups. Effective January 1, 2012, any provisions providing for a potential future "gross-up" of the excise tax under Section 280G of the Internal Revenue Code under our Senior Executive Severance Plan and any other arrangements have been removed and replaced with a best net approach. Under a best net approach, an officer will receive reduced severance benefits if it results in a more favorable after-tax benefit for the officer.

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Change to a Double-Trigger Approach. We eliminated the "single-trigger" acceleration of unvested incentive compensation upon a change in control for future awards of equity compensation granted on or after January 1, 2013. Instead, the vesting of awards granted on or after January 1, 2013, will only accelerate upon a "double-trigger" (change in control followed by termination for good reason or involuntary termination not for cause within two years).

Reduce Severance Multiples. Effective January 1, 2012, we reduced the multiple used to determine the amount of potential future severance paid for involuntary terminations unrelated to a change in control to 2x eligible compensation under our Senior Executive Severance Plan for our chief executive officer and 1.5x eligible compensation under our Senior Executive Severance Plan for the other named executive officers, replacing the current 3x and 2x multiple for our chief executive officer and other named executive officers, respectively.

Adjust Severance Formula. Effective January 1, 2012, we adjusted the definition used to determine the amount of potential future severance paid for involuntary terminations, whether or not following a change in control, from the highest bonus over the last three years to the average bonus over the last three years.

Provide for a Pro-Rata Bonus. Effective January 1, 2012, we changed our policy to provide for a potential pro-rata bonus to our named executive officers in the event of termination that results in severance benefits under our Senior Executive Severance Plan.

The Role of the Compensation and Benefits Committee

The Compensation and Benefits Committee of our Board of Directors oversees our executive compensation program. The committee operates under a written charter approved by the Board, and only independent directors are eligible to serve on the committee. We provide important information about the committee's authority, the extent to which it may delegate its authority to other persons, and its processes and procedures in the section of this proxy statement captioned "Compensation and Benefits Committee" beginning on page 12. That section also includes additional information about the role of our executive officers in recommending the amount or form of executive compensation, and the role of the independent compensation consultant used by the committee during 2011. The committee has approved a Compensation Consultant Policy that is discussed in that section. Among other things, the policy establishes independence standards for the committee's consultant. Cook is engaged exclusively by the committee with respect to executive compensation matters and does not provide any services to management or the Company.

Our Executive Compensation Philosophy

A talented, motivated and experienced workforce is essential to the success of any company. That is true at Ameriprise Financial for all employees, from senior executives to our entry level employees. Just as we compete with other companies for clients in the retail financial services marketplace, we also compete with other companies in the labor marketplace for employees with the talent, knowledge, integrity, and proven ability to produce results. The overall objective of our executive compensation program is to promote the long-term best interests of our shareholders by attracting and retaining effective, stable, and motivated leadership.

Considering all of these factors, the committee has developed an executive compensation philosophy based on the following core principles:

Executive officers' compensation must be aligned with the long-term best interests of our shareholders;

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Our executive compensation program must be competitive enough to attract and retain executive officers who can achieve the Company's strategic goals and create long-term shareholder value;

An executive officer's compensation must be appropriate in light of his or her experience, responsibilities, and performance; and

There should be strong alignment between the total direct compensation that an executive officer earns and Company, business, and individual performance. The amount an executive officer earns should depend to a significant degree upon how well the Company and the executive officer perform against performance measures that are aligned with shareholder interests.

The committee does not consider gains or losses from long-term and equity incentive awards made in prior years, such as stock option exercises and restricted stock vesting, in determining new incentive awards. The committee believes that reducing or limiting current stock option grants, restricted stock awards or other forms of compensation because of prior gains realized by an executive officer would unfairly penalize the officer for high past performance and reduce the motivation for continued high achievement. Similarly, the committee does not consider a loss of value in prior equity awards in determining new incentive awards. Our severance and change-in-control plans, which we discuss in detail beginning on page 48, do not affect the committee's decisions regarding other elements of compensation. Those plans serve very specific purposes that are unrelated to the determination of a named executive officer's total direct compensation for a specific year.

Compensation for the Named Executive Officers Based on 2011 Performance

The committee has designed our executive compensation program to reflect our executive compensation philosophy. As we said in our 2011 proxy statement, the committee has continued to refine the program based in part upon the advice of its independent consultant to reflect emerging best practices in executive compensation, simplify the overall plan design and further strengthen the alignment between shareholder and management interests. In 2010, changes to the program included the creation of the Performance Share Plan. In 2011, further refinements included the addition of relative weights to our key financial metrics to better define each metric's impact in determining total direct compensation for our named executive officers. For 2012, the committee has also changed several components of the severance and change-in-control programs for all of our executive officers, reducing the potential future benefits under these programs. All of these items are described in the following pages.

In making its annual compensation decisions, the committee reviews the total direct compensation for each of our named executive officers, as well as the aggregate value of the total incentives being awarded. We use the term "total direct compensation" to refer to the sum of base salary and total incentives. We use the term total incentives to refer to the sum of the annual cash incentive award and the long-term incentive award. If performance merits, the committee approves a total incentive pool shortly after the end of each year. The amount of this pool is based on two factors. The first factor is the committee's assessment of the Company's financial performance and strategic and business accomplishments for the prior year. The second factor is the target total incentive pool for executive officers, including the named executive officers, which is based on competitive market data provided to the committee by its independent compensation consultant. We discuss the performance assessment process for 2011 below, including the nature and use of market compensation data.

The committee establishes financial performance goals each performance year. These goals are not intended to be a prediction of how the Company will perform during the performance year or in any future period. The committee establishes these goals solely to help it align pay with performance. The goals are not intended to provide investors or any other party with guidance about our future financial performance or operating results. We strongly caution you not to take the financial performance metrics or strategic and business accomplishments disclosed below

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as a form of guidance, because they are not intended to be such. You cannot rely on any of the disclosures contained in the Compensation Discussion and Analysis as a prediction of the Company's future performance.

The committee follows a four-step process for determining the total direct compensation of our executive officers, including the named executive officers. As explained below, the committee will: assess performance results; determine the size of the total incentive pool; allocate individual awards; and determine the compensation mix.

Assess Performance Results

In this section, we highlight the key financial and strategic and business metrics that the Compensation and Benefits Committee used to determine the total incentive pool for our named executive officers. For 2011, the committee weighted financial performance at 70% and strategic and business accomplishments at 30% in assessing the Company's overall performance. Financial performance is weighted at 70% to reflect the committee's view that these objective measures are the most important indicators of the Company's success. Strategic and business accomplishments are weighted at 30% because the committee believes it is important to assess key accomplishments that may contribute to the achievement of our long-range plan.

We use non-GAAP measures in the Compensation Discussion and Analysis. The appendix to this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2011, at page 52, provide GAAP to Non-GAAP reconciliations.

We believe that operating measures, which exclude net realized gains or losses; the market impact on variable annuity guaranteed living benefits, net of hedges, deferred sales inducement costs ("DSIC") and deferred acquisition costs ("DAC") amortization; integration and restructuring charges; income (loss) from discontinued operations; and the impact of consolidating consolidated investment entities ("CIEs"), best reflect the underlying performance of our core operations and facilitate a more meaningful trend analysis. We use certain of these non-GAAP measures to evaluate our financial performance on a basis comparable to that used by some securities analysts and investors. Also, certain of these non-GAAP measures are taken into consideration, to varying degrees, for purposes of business planning and analysis and for certain compensation-related matters. Throughout the Compensation Discussion and Analysis, these non-GAAP measures are referred to as operating measures.

In 2011, Ameriprise continued to face a challenging external environment. Consumer confidence remained depressed due to high unemployment, ongoing market volatility and slow economic growth. While the Company had a strong start to 2011 and the overall business performed well, the environment presented headwinds. Equity markets remained weak and interest rates continued to be at historically low levels. The impact on business financials was substantial. As we have done consistently over the years, we navigated the environment well and grew the firm.

Our emphasis on executing our strategic priorities and maintaining effective enterprise risk management and strong balance sheet fundamentals continued to serve us well. All of our balance sheet drivers remained extremely strong, and we held appropriate excess capital and liquidity positions, which gave us great flexibility to return capital to shareholders. We executed well against our strategic priorities and implemented a robust investment agenda while also maintaining our commitment to reengineering and expense control.

The committee evaluates our financial performance relative to the plan approved by the committee for five weighted operating financial metrics. The 2011 plan and actual results for each of these operating

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financial metrics are shown below. A rating of "3" represents performance at target, and ratings of "1" and "2" are above target, with "1" being the highest possible rating.

Metric	Financial Weighting	2011 Actual (\$ in millions)	2011 Plan (\$ in millions)	Rating
Operating earnings	25%	\$ 1,232	\$ 1,224	3
Operating earnings per diluted share	20%	\$ 5.00	\$ 4.86	2
Operating return on equity excluding CIEs and AOCI	20%	13.2%	12.7%	2
Operating total net revenues	15%	\$ 10,050	\$ 10,036	3
Balance sheet quality	20%			1

Overall Weighted Financial Rating 2.2

Despite significant challenges posed by the external environment in 2011, Ameriprise delivered solid performance. The Company continued to make good progress toward shifting its earning mix to lower capital intense businesses, with approximately 50% of total pretax operating earnings excluding the Corporate segment being generated by Asset Management and Advice & Wealth Management, up from approximately 41% in 2010. Both of these segments experienced strong growth during the year, with Asset Management pretax operating earnings up 29% and Advice & Wealth Management pretax operating earnings up 26% versus 2010. In the Protection segment, weather-related catastrophic losses and higher auto-related reserves put pressure on results versus the prior year, but the core business remains strong and continues to provide a stable source of earnings despite external market-related challenges. The Annuities segment also performed well despite volatile markets and increasing pressure on fixed annuity spreads from the continued low short- and long-term interest rate environment.

Balance sheet core fundamentals improved in 2011, performing well on both a relative and an absolute basis. Despite volatile market conditions, the Company returned \$1.7 billion to shareholders (representing 135% of 2011 operating earnings), increased our excess capital position to more than \$2 billion compared to more than \$1.5 billion in the prior year, and authorized two increases in our quarterly dividend that represented a 56% increase. Liquidity levels remained solid with approximately \$700 million in holding company cash and cash equivalents at year end. And asset quality remained strong our unrealized gain position at year end was \$2.1 billion and we have marginal exposure to the European zone. In addition, the Company ended 2011 with operating return on equity excluding CIEs and accumulated other comprehensive income (AOCI) of 13.2%.

Based upon this financial performance, the committee evaluated the combined weighted financial rating for 2011 as 2.2, which is above-target performance.

The committee evaluates strategic and business accomplishments holistically and may change its evaluation metrics based on company priorities and specific goals. The committee evaluated strategic and business accomplishments for 2011 based on these five key objectives:

Advisor Production: Operating net revenue per advisor was up 12% compared to 2010. We increased high value clients and deepened client relationships. Advisor retention was very strong across channels with franchisee channel retention at 94.6% and record employee channel retention of 91.5%. Recruiting results were strong in a challenging environment. Throughout 2011, more than 300 experienced advisors joined Ameriprise Financial.

In addition, the Company continued to enhance our Advice & Wealth Management business through a number of initiatives, including the continued evolution of our MORE WITHIN REACH® brand platform, enhanced support for advisors with industry leading tools, content and communication to clients, improved service delivery capabilities and performance, further expansion of our virtual delivery advisor platform, and the launch of a financial planning-based distribution business in India. Lastly, the Company successfully executed on the sale of Securities America Financial Corporation, strategically exiting this business.

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Effective Integration of the Columbia Management Acquisition: The Columbia Management integration has gone well and is targeted for completion in 2012. We achieved net synergies of approximately \$135 million in 2011. Retention of high performers was very strong. We completed the mutual fund mergers and delivered consistent investment performance throughout the integration. We reestablished our retail intermediary distribution and grew our institutional pipeline. We also increased awareness of the new Columbia Management brand through an integrated advertising campaign.

Assets under Management and Administration: Despite weak and highly volatile markets that have affected consumers' investment behavior, we maintained assets under management and administration of \$631 billion and insurance in-force of \$191 billion, through focused sales and marketing and targeted product enhancements that helped off-set a weak environment.

In our Advice & Wealth Management segment, we experienced strong growth with wrap net inflows of \$7.3 billion, reaching \$103 billion in wrap assets, a 6% increase over 2010.

Asset Management segment gross sales were strong in 2011 but were offset by low basis point former parent-related outflows and increases in redemptions due to market stress as experienced across the industry. We expanded distribution to additional international regions during the year and maintained strong three- and five-year investment performance track records across our product offering and built strong one-year investment performance track records.

Within our annuities business we achieved \$1.2 billion in net inflows in the Ameriprise channel. Variable annuity cash sales of \$6.4 billion were up \$0.9 billion versus 2010 based on strong sales of our RiverSource RAVA 5SM product.

We performed well across our protection businesses. Within the life and health insurance business, we achieved historically high retention from strong product performance and retention efforts. Despite the difficult environment, life insurance in-force was essentially flat compared to 2010 at \$191 billion. Our property and casualty insurance business continued to generate good growth with net written premiums growing 5% and policies in-force growing 7% over 2010.

Achievement of Reengineering and Investment Plans: The Company achieved approximately \$175 million of reengineering saves in 2011, which was significantly ahead of our \$125 million goal. Reengineering results were achieved through cost, structural and strategic initiatives across our business and functional areas.

The Company also executed an investment agenda with expenditures of over \$200 million on core and strategic capabilities for the firm, including major initiatives such as the implementation of a new brokerage platform, new product introductions and enhanced product and service capabilities. Our new and enhanced product capabilities included Active Portfolio strategies, an equity-indexed universal life insurance product, a new variable annuity product RiverSource RAVA 5SM, the introduction of absolute return funds, and the acquisition of active ETFs.

Engagement, Development and Retention of Talent: We continued our focus in 2011 on building a high-performing organization by developing and retaining key talent and strengthening engagement during a very challenging business environment. The corporate employee engagement index increased nicely and reached an all-time high. Our engagement scores led both current Financial Services and Total United States workforce benchmark data provided by Kenexa. Employee retention and high performer retention rates remained high at the mid-to-upper 90% range.

In addition, the company received a number of industry awards and in 2011 was the recipient of diversity specific awards, including the Best Companies to Work For in Minneapolis and a 100%

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rating on the Corporate Quality Index by the Human Rights Campaign. Lastly, we continued our partnership with Feeding America, conducted one of our most successful employee giving campaigns, achieving record employee contributions benefiting thousands of non-profit organizations, and contributed more than 50,000 volunteer hours to local communities.

Based on the performance for these objectives, the committee provided a combined strategic and business accomplishments rating of 1.5 for 2011, which is above-target performance.

The committee evaluated the Company's overall performance rating for 2011 as a "2", which is above-target performance (2.2 financial performance × 70% + 1.5 strategic and business accomplishments × 30% = 2).

The committee reviews both financial performance and strategic and business accomplishments on an annual basis to ensure alignment with the Company's annual and long-range business plans. Financial performance is evaluated on an operating basis, which excludes: net realized gains or losses; the market impact on variable annuity guaranteed living benefits, net of hedges, DSIC and DAC amortization; integration and restructuring charges; income (loss) from discontinued operations; and the impact of consolidating CIEs. See the reconciliation of certain non-GAAP measures in the appendix to this proxy statement. Financial performance for 2011 also took into consideration impacts related to the annual DAC unlocking and model changes as well as changes in the interest rate environment during the year.

Review of Financial Results. The committee relies on the Board's independent Audit Committee to review and confirm the financial results used in the assessment of 2011 performance. The Compensation and Benefits Committee conducted its final review of performance and approved the incentive awards at its meeting on January 31, 2012.

Determine the Size of the Total Incentive Pool

Each year the committee establishes the size of the target incentive pool. This pool funds total incentive awards for the named executive officers, as well as other key executive officers. This target pool is aligned with the aggregate of the median of the competitive market data, and it is established with the assistance of the committee's independent consultant. The total target incentive pool for the named executive officers in 2011 was \$21.2 million.

The committee's assessment of the Company's performance determines the extent to which the total incentive pool is funded below, at, or above target. As described in the previous section, the Company's overall performance rating for 2011 was a 2. As indicated by the following incentive leverage grid approved by the committee, a rating of a "2" equates to total incentive funding of 150% of target. The actual total incentive pool of \$29.8 million is less than 150% of target due to two factors as described throughout this document. The first is that performance shares were awarded at target consistent with the approved plan design (no leverage was applied). The second is that Mr. Salow did not receive an LTIA award from the total incentive pool due to his upcoming retirement this year.

Performance Rating	1	2	3	4	5
Funding level as a percentage of the total incentive pool target amount	200%	150%	100%	50%	0%

For the named executive officers who are covered employees under Section 162(m) of the Internal Revenue Code, the maximum amount that can be paid to an individual as an annual cash incentive award is limited to a percentage of the pool. We explain how we seek to maintain the federal income tax deductibility of these awards beginning on page 46. There is no minimum funding level for the total incentive pool. Depending upon the committee's assessment of the Company's performance in the

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context of the year's operating environment, the committee may decide not to fund any components of the total incentive compensation pool for the named executive officers.

Allocate Individual Awards

Our chief executive officer discusses the performance of and recommends total direct compensation for each other named executive officer. The chief executive officer's performance assessment for each other named executive officer is based on these factors, among others, depending on the officer's job responsibilities: the officer's contribution to the Company's financial performance and strategic and business accomplishments; demonstrated leadership ability; the engagement and talent development of their employees; adherence to ethical, legal, and regulatory standards of conduct; risk management skills; improvements in technology and service delivery; and the safety and soundness of the business or staff function's operating environment. None of these factors was assigned a specific target or weight in determining individual awards. Rather, the committee uses a holistic approach in considering these performance factors.

The committee evaluates the performance of our chief executive officer based largely on the assessment of the Company's performance as described in the section above captioned "Assess Performance Results."

Before the committee approves the chief executive officer's compensation, the committee discusses its recommendations with the other independent directors in an executive session of the Board of Directors meeting held that day. Our chief executive officer is not present for these discussions. This process allows the chairman of the committee to explain the committee's basis for its recommendations to the independent directors. It also allows other directors to make comments and ask questions before the committee members conduct a final vote on the chief executive officer's compensation.

The aggregate amount of the annual cash and long-term incentive awards that the committee approves for the chief executive officer and the other executive officers cannot exceed the amount approved by the committee for the total incentive pool. The committee may exercise its discretion to award less than the amount available for any named executive officer or the named executive officers as a group. The committee also has the discretion to make no such awards.

Determine the Compensation Mix

The committee generally believes that total compensation for its named executive officers should be targeted, on average, as illustrated in the following charts. Base salary is the smallest component of total direct compensation, representing approximately 8% of total direct compensation for our chief executive officer at target, and averaging 13% of total direct compensation for our named executive officers at target. We set base salary for our executive officers to be competitive in the market and to allow us to attract and retain executive talent. **There were no base salary increases for our named executive officers in 2011.** The majority of target total direct compensation for our named executive officers (nearly 90%) is comprised of annual cash and long-term incentives. We provide an annual cash incentive opportunity to our executive officers to motivate and reward them for the accomplishment of key annual goals. We provide a long-term incentive opportunity to our executive officers to align their long-term interests with those of shareholders, and to help retain valuable executive talent. Total incentive compensation is generally split evenly between annual cash and long-term incentives at target. All incentive awards are funded from the total incentive pool and are based on performance.

Table of Contents**Mix of Total Compensation
(at target)****Long-Term Incentive Mix Detail
(at target)**

The actual mix of compensation awarded to our named executive officers will vary from the above charts based on each executive officer's position and Company, business, and individual performance. For example, a year with very strong performance will tend to have a higher mix of incentive compensation. A year with relatively lower performance will have a lower mix of incentive compensation. The performance share award value is established and delivered as a fixed percent of the target total incentive award. As a result, the relative mix of performance share units awarded may vary from year to year. The committee regularly reviews compensation mix trends and may change the targeted mix from year to year. The target total incentive mix for named executive officers has not changed since 2010. The actual compensation mix of the 2011 awards for our named executive officers is provided in the following section.

Summary of Total Direct Compensation for the Named Executive Officers

The table below is not required by the rules of the Securities and Exchange Commission. We are providing it as supplemental information and you should review the Summary Compensation Table on page 52 and the following tables for more information about the compensation of our named executive officers. The purpose of this table is to provide a clear picture of the named executive officers' total direct compensation for the 2011, 2010, and 2009 performance periods. The supplemental chart below also differs from the Summary Compensation Table in that it omits the dollar amounts included in the Summary Compensation Table in the columns captioned "Change in Pension Value and Non-Qualified Deferred Compensation Earnings" and "All Other Compensation." Those dollar amounts are unrelated to a named executive officer's performance and are therefore not included in total direct compensation.

The SEC's rule for when equity awards are reported in the Summary Compensation Table results in a one-year lag between the time the Compensation and Benefits Committee grants the awards and when they are reported in the Summary Compensation Table. For example, in January 2012 the committee approved equity awards for 2011 performance. As a result, the SEC's rule requires us to report those awards in the Summary Compensation Table contained in our 2013 annual meeting proxy statement. The supplemental table below also differs from the Summary Compensation Table because we show the grant date fair value of equity awards based on the year of performance to which they relate.

We believe that the supplemental table below more clearly reflects our pay for performance philosophy and the compensation decisions made by the committee for the named executive officers for each performance year shown. The aggregate total incentive pool of \$29.8 million awarded to named executive officers for 2011 performance was above target, but approximately 17% lower than the total incentives awarded for 2010. The pool was allocated as follows: \$16.8 million in annual cash incentives (56% of total); and \$13 million in long-term incentives (44% of total). Long-term incentives included

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approximately: \$6 million in non-qualified stock options; \$4 million in performance share units; and \$3 million in restricted stock awards.

	Performance Year	Salary	Annual Cash Incentive Awards	Long-Term Incentive and Equity Awards*	Total Direct Compensation
James M. Cracchiolo, Chairman and Chief Executive Officer	2011	\$ 950,000	\$ 8,025,000	\$ 6,942,000	\$ 15,917,000
	2010	\$ 950,000	\$ 9,428,000	\$ 7,647,000	\$ 18,025,000
	2009	\$ 850,000	\$ 5,700,000	\$ 5,700,000	\$ 12,250,000
Walter S. Berman, Executive Vice President and Chief Financial Officer	2011	\$ 650,000	\$ 2,598,000	\$ 2,252,000	\$ 5,500,000
	2010	\$ 650,000	\$ 2,953,000	\$ 2,397,000	\$ 6,000,000
	2009	\$ 450,000	\$ 2,100,000	\$ 1,650,000	\$ 4,200,000
William F. Truscott, CEO, U.S. Asset Management and President, Annuities	2011	\$ 650,000	\$ 2,732,000	\$ 2,368,000	\$ 5,750,000
	2010	\$ 650,000	\$ 3,368,000	\$ 2,732,000	\$ 6,750,000
	2009	\$ 450,000	\$ 2,400,000	\$ 1,950,000	\$ 4,800,000
Glen Salow, Executive Vice President of Service Delivery and Technology*	2011	\$ 575,000	\$ 1,701,000	\$ 0	\$ 2,276,000
	2010	\$ 575,000	\$ 2,029,000	\$ 1,646,000	\$ 4,250,000
	2009	\$ 475,000	\$ 1,500,000	\$ 1,275,000	\$ 3,250,000
Donald E. Froude, President The Personal Advisors Group	2011	\$ 550,000	\$ 1,715,000	\$ 1,485,000	\$ 3,750,000
	2010	\$ 550,000	\$ 2,016,000	\$ 1,634,000	\$ 4,200,000
	2009	\$ 400,000	\$ 1,500,000	\$ 1,300,000	\$ 3,200,000

*

Mr. Salow did not receive long-term incentive awards for 2011 due to his planned retirement in 2012. Long-term incentive awards are forfeited if an executive officer retires during the year that the grant is made.

**

This column shows the grant date fair value for stock options, restricted stock awards, and for 2010 and 2011, performance share units.

Benefits and Other Compensation. In addition to total direct compensation, our executive officers are eligible to participate in the health, welfare benefit and retirement programs of the Company on the same basis as other employees. We discuss the pension benefits available to our named executive officers on pages 59-60.

Deferred Compensation Plan. Executive officers and other eligible employees can elect to participate in a voluntary deferred compensation plan. Investment options under the plan include Ameriprise Financial share units and several of our mutual funds. Deferrals of cash incentive awards up to 20% of the amount earned for the prior year's performance are eligible for a Company stock match under the plan. This match

helps to encourage further investment in Ameriprise Financial by executives. The match is subject to a three-year cliff vesting requirement. Plan participants may elect to defer more than 20% of cash incentive awards into this plan, but any amount over 20% is not eligible for the match.

Perquisites. The committee regularly reviews the type and amount of perquisites provided to our executive officers. We provide detailed information about this element of our executive compensation program for our named executive officers in footnote 4 to the Summary Compensation Table, on page 52. Perquisites constitute the smallest element of our executive compensation program.

Additional Information about Our Executive Compensation Program

As discussed above, the committee determined the 2011 incentive compensation for each named executive officer based on the established target total incentive pool, the incentive plan framework and weighted metrics, and 2011 performance. The committee also relied on guidance from Cook, its independent compensation consultant, in determining the funding level of the total incentive pool and the mix of cash and long-term incentives provided from the pool to each named executive officer. Cook provides the committee with regular updates on performance and competitive market trends throughout the year.

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Market Compensation Data

During 2011, Cook provided competitive market data to the committee, including a target total incentive pool with competitive range information above and below the market median.

The market median and market competitive ranges provided by Cook are based on several data sources, including proxy disclosures and published survey data. The proxy data is based on the competitive peer group shown below. The published survey data represents companies in the broader financial services industry and is provided by third-party data providers such as McLagan, Mercer, and LOMA. These data sources are evaluated by the committee on an annual basis taking into account the advice of its compensation consultant to confirm they are appropriate given our size, type and mix of business, and the industries we compete in for executive talent. Collectively, this data provides an important reference point and market check for the committee in determining how to position pay, and is an important input to the consultant's determination of market median and ranges above and below market median.

Ameriprise Financial is the only U.S. company to hold a top ten market position in each of our core businesses, including: Asset Management; Advice & Wealth Management; and Protection and Annuities. As a result, there is no single company that is comparable to us in every respect. Therefore, the committee reviews the mix of public firms listed below solely to act as a market check for our executive pay and Company performance. The peer group used for 2011 is shown below. **This peer group did not change from 2010.**

Asset Management	Advice & Wealth Management	Protection and Annuities
Affiliated Managers Group	Bank of New York Mellon	Genworth Financial
AllianceBernstein	Northern Trust	Hartford Financial
BlackRock	PNC Financial	Lincoln National
Invesco	Schwab (Charles)	MetLife
Legg Mason	State Street	Principal Financial
		Prudential Financial
		Unum Group

The peer group is one of a number of analytical tools and reference points used by the committee. The committee also reviews and considers historical compensation levels for the executive officer and guidance provided by the committee's compensation consultant. Depending upon the Company's financial results and strategic and business accomplishments and the officer's individual performance, a named executive officer's total direct compensation may be below, within, or above the median of the market range for the officer's position.

Risk and Incentive Compensation

The Compensation and Benefits Committee is responsible for overseeing our incentive compensation arrangements, for aligning such arrangements with sound risk management and long-term growth and for verifying compliance with applicable regulations. As discussed in our 2011 proxy statement, during 2010 and early 2011, management, including representatives from each of our material businesses, as well as our human resources, finance, internal audit and legal departments, conducted a broad internal assessment of all of our executive and non-executive incentive compensation programs, policies and practices. The results of this assessment were shared with the Compensation and Benefits Committee, which concurred with the conclusions reached.

In 2011 and early 2012, a similar assessment was undertaken of all significant revisions to existing compensation arrangements and all new compensation arrangements. The team reviewed and discussed: the various design features and characteristics of new or revised Company-wide compensation policies and programs, as well as those at the business unit level; performance metrics at the Company and business unit levels; and approval mechanisms of all incentive programs for all employees. The team's

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objective was to determine whether any of these policies or programs could create risks that are reasonably likely to have a material adverse effect on the Company. Based on this assessment and after discussion with management and the committee's independent compensation consultant, the committee has concluded that our incentive compensation arrangements and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

The Committee reached this conclusion after considering a number of features of our incentive compensation structure that are designed to mitigate risk, including but not limited to:

We use different types of compensation vehicles that provide a balance of long and short-term incentives and of fixed and variable features, with an emphasis on long-term performance (except for certain sales and sales management positions, whose competitive pay framework is more heavily short-term and where business controls are present to moderate risk);

We set performance goals that we believe are reasonable in light of past performance and market conditions;

Our budgeting and internal controls and procedures are sufficient to prevent the manipulation of performance results to enhance payments under incentive compensation arrangements;

We have stock ownership, retention guidelines and holding periods for all of our senior leaders that call for significant stock ownership and align the interests of our senior leaders with the long-term interests of our shareholders;

Our executive compensation recovery policy allows the Board of Directors to recoup from any executive officer certain cash or equity incentive compensation in the event of a material restatement of our financial results due to intentional misconduct; and

Our chief executive officer retains the discretion to adjust plans (other than those for our named executive officers) throughout the year in response to changing business conditions or unexpected events.

Also in 2011, at the request of the committee, its independent compensation consultant conducted a risk review and assessment of the Company's executive compensation program in which the named executive officers participate. This is similar to the review described in our 2011 and 2010 proxy statements. In completing this review, the consultant considered such factors as: mix of total compensation; weighted performance metrics; equity incentive grant types and design; stock ownership guidelines; and performance assessment processes, among others. The consultant also considered recent changes to our compensation programs for named executive officers including the performance share program and clawback policy. The committee determined, taking into account the consultant's review, the discussions with management, and the report provided by management, that our executive compensation program includes numerous risk mitigating factors and does not contain features that induce imprudent risk taking.

Special Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code: tax deductibility of compensation over \$1 million. Section 162(m) of the Internal Revenue Code can potentially disallow a federal income tax deduction to the Company for compensation over \$1 million paid to the chief executive officer and the three most highly compensated named executive officers other than our chief executive officer. These officers, called covered employees, must have been serving as of the last day of Ameriprise Financial's fiscal year to be subject to this limitation in deductibility. The Internal Revenue Service has issued technical guidance stating that a Company's chief financial officer is not necessarily a covered employee under Section 162(m). One exception to Section 162(m)'s disallowance of a federal income tax deduction for

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compensation over \$1 million applies to "performance-based compensation" paid pursuant to shareholder-approved plans.

For the cash incentive awards made to named executive officers, we use a separate pool. This pool operates in conjunction with the incentive pool created to pay the total incentive awards of our executive officers, including our named executive officers. The separate pool is designed to make those cash awards deductible for federal income tax purposes. This pool does *not* increase the amount of compensation that a named executive officer receives.

The committee established the 162(m) incentive pool for 2011 in the first quarter of 2011 and set a maximum percentage of the pool that each named executive officer, other than our chief financial officer, could receive.

Among the compensation elements that we have discussed so far, the following can generally qualify as performance-based compensation for Section 162(m) purposes, in addition to the cash incentive award: stock options and performance share units. Base salaries, time-vested restricted stock (stock that will vest with the passage of time and continued employment) and any other compensation that is not considered performance-based will not be deductible to the extent the total of such compensation for a covered employee in any year exceeds \$1 million.

Although much of the compensation opportunity in our executive compensation program is performance-based and generally deductible for federal income tax purposes, the committee retains the flexibility to award compensation to our named executive officers and other executive officers that is not deductible for federal income tax purposes. We do not represent that the compensation paid to our named executive officers will be deductible for federal income tax purposes to the maximum extent possible.

Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation – Stock Compensation ("ASC 718"). Accounting rules govern how to value stock and option awards as of the date of grant, and when those awards are to be recognized as compensation expense. Under this accounting standard, we calculate the full grant date value of awards using a variety of assumptions. This calculation is performed for accounting purposes, as an executive officer may never realize any value from the award. This may happen when the value of a share of stock on which the executive holds an option falls below the exercise price of the option and remains below the exercise price, rendering the option worthless to the executive. In the case of such options, we recognize accounting expense even though the executive officer may never realize any value from the options.

This accounting standard also dictates that companies recognize the compensation cost of a stock or option award proportionately over the period that an employee is required to render service in exchange for a share-based payment.

Stock Option, Restricted Stock, and Performance Share Unit Grant Practices and Procedures

Grant practices and procedures. The committee has adopted a Long-Term Incentive Awards Policy that details the policies and procedures we use to grant stock options, restricted stock and performance share units. The policy covers, among other topics: who has the authority to make grants; when grants may be made and when they become effective; required documentation; and our policy for making grants when the committee or our chief executive officer is aware of material nonpublic information about us or our securities.

We have posted a copy of our Long-Term Incentive Awards Policy on our website on the Corporate Governance page of the "Company Information" section at ir.ameriprise.com.

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That site also includes an expected schedule of equity award grant dates for 2012 and will be updated for future years' grant date schedules. If you would like a copy of the policy and the expected schedule of 2012 grant dates, please write to our corporate secretary at the address given on page one of this proxy statement under "General Information." The corporate secretary will send you a copy at no expense to you.

The committee adopted the policy in order to document in one place the practices and procedures to be followed in making grants of stock options, restricted stock and performance share units. The committee also wanted to provide the greatest possible transparency and candor to our shareholders concerning our grant practices, particularly with respect to the timing of those grants and our policy for making grants when the committee or our chief executive officer may be aware of material nonpublic information about us or our securities.

Stock Ownership and Retention Guidelines

The committee has established stock ownership and retention guidelines for our senior leaders to more closely align their interests with the long-term interests of our shareholders. We believe this commitment to stock ownership will continue to play a significant role in driving our success and creating long-term value for our shareholders. Under the guidelines, executive officers are required to beneficially own shares of our common stock equal in market value to a specified multiple of their salary. Once ownership guidelines are satisfied, the number of shares associated with the guideline is locked in and considered satisfied regardless of movement in our stock price. The shares that count towards this ownership guideline include: shares owned directly; shares or phantom stock units held in qualified or nonqualified plans; and unvested restricted stock awards. The shares underlying outstanding stock options are not counted as shares owned for the purposes of this ownership guideline.

To ensure achievement of the ownership goals, executive officers who have not yet attained the required level of ownership must retain 75% of any restricted stock upon vesting or any stock acquired upon exercise of stock options (net of shares withheld for taxes or exercise costs) until the ownership guideline is attained. Once ownership guidelines are satisfied, the executive officer must retain 50% of any stock acquired, whether by the vesting of restricted stock or upon exercise of stock options, for a one-year holding period.

The stock ownership guideline for our chief executive officer is five times his salary, and he has met this goal. For each of the other named executive officers, the stock ownership guideline is three times his salary. As of December 31, 2011, each of the other named executive officers met his stock ownership goals under the policy.

Post-Employment Compensation and Benefits

The committee has made several changes that reduce the potential future benefits under our severance plans beginning in 2012. Because these tables describe the benefits of our plans through December 31, 2011, we have also provided supplemental information regarding the 2012 changes to better clarify our future program design.

Plan approach. We do not enter into individual employment agreements with our named executive officers. Instead, the rights of our named executive officers to post-employment compensation and benefits are covered by our compensation and benefit plans. Under this "plan approach," the post-employment compensation and benefits of our named executive officers are established separately from the other compensation elements.

Our use of a plan approach provides many benefits when compared to entering into individual employment agreements with each named executive officer. In most instances, this method allows us the

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flexibility to amend or terminate a plan to adjust severance benefits in response to changing market conditions. This approach also provides increased transparency, both internally to our executives and externally to our shareholders. This plan approach is also easier to administer and requires less time and expense than drafting, negotiating and maintaining individual employment, severance and change in control agreements with each of our named executive officers. As part of the committee's ongoing review of the Company's programs, the committee's independent consultant reviews our post-employment compensation and benefits on an annual basis.

In 2011 the committee utilized the flexibility afforded by our plan approach to adjust the severance benefits provided to our named executive officers. Recognizing recent market trends, emerging executive compensation best practices and a heightened focus on corporate governance reform, the committee made several changes to our executive compensation plans. The following chart identifies each element of our post-employment compensation and benefits and provides information regarding when and why we provide this benefit. The description on the right of each table reflects the plans that were effective as of December 31, 2011. The brief summary on the left of each table reflects the changes being made beginning in 2012. We have provided detailed information on these benefits and the value of potential payments our named executive officers would receive in various scenarios in the section "*Potential Payments Upon Termination or Change of Control for Named Executive Officers*," beginning on page 61.

Benefit**When, how and why we provide this benefit****Severance benefit**

Beginning in 2012, the severance multiples for involuntary termination unrelated to a change in control were reduced for the chief executive officer and other executive officers. Our severance formula was also changed to include the average of the previous three years' bonuses rather than the highest of the previous three years.

Severance benefits may become payable in the event of certain involuntary terminations or if an executive is involuntarily or constructively terminated within two years following a change in control. The length of severance benefits depends on an executive's position and is expressed as a certain multiple of his or her current annual base salary plus the highest annual cash incentive award over the last three years. During the severance period, named executive officers are eligible for medical, dental and life insurance benefits on the same basis as those benefits are provided to other employees during the severance period. In the event of change in control, named executive officers continue to receive contributions to the supplemental retirement plan as described in the tables beginning on page 62.

We believe that the severance benefits we offer promote several objectives. The severance benefits assist us in recruiting and retaining talented executives. Executives may be recruited from other companies where they have job security, tenure, and career opportunities. In accepting a position with us, an executive is often giving up his or her current job stability for the challenges and potential risks of a new position. Severance benefits mitigate the harm that the executive would suffer if he or she were terminated by us for reasons beyond his or her control. Severance benefits also allow executives to focus on our business without undue distraction regarding their job security. Finally, severance benefits act as an additional incentive for the executive to comply with post-termination covenants.

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Benefit

When, how and why we provide this benefit

**Accelerated vesting of equity
Beginning with awards earned in 2012 (and granted on or after January 1, 2013), all equity awards, including stock options, restricted stock and performance shares, will only accelerate upon a "double-trigger."**

We accelerate the vesting of outstanding restricted stock awards, restricted stock units and stock options upon death, disability, or a change in control. Death and disability are events that are completely outside of the control of our executives. In such circumstances, we believe that it would be unfair for our executives to forfeit the compensation and benefits that they have earned. In the event of an executive's retirement, outstanding restricted stock awards, restricted stock units and stock options granted in the year of retirement are forfeited and awards granted prior to the year of retirement will continue to vest. For retirement, we believe it runs contrary to the retention and reward of long-term incentive awards to compel an executive to choose between retirement and the loss of all unvested equity awards.

Due to the performance-based nature of our performance share program, the treatment of outstanding performance shares is slightly different from the other forms of equity compensation. Executives are entitled to pro-rated payment under our performance share program in the event of death or disability. In the event of an executive's retirement, outstanding performance shares granted in the year of retirement are forfeited and performance shares granted prior to the year of retirement will continue to vest. The performance shares are also subject to a "double-trigger", generally requiring termination for good reason or an involuntary termination not for cause within two years following a change in control in order for an executive to be entitled to a pro-rated payment under our performance share program.

**Pro-rata annual cash incentive award
Beginning in 2012, a pro-rata annual cash incentive award may also become payable in the event of a termination that results in severance benefits under our Senior Executive Severance Plan.**

A pro rata annual cash incentive award may become payable in the event an executive is involuntarily or constructively terminated within two years of a change in control. The pro rata payment of these awards rewards the executive for his or her performance prior to the change in control transaction. Making a pro rata payment on outstanding cash incentive awards is justified following the occurrence of a change in control transaction because the performance goals of such awards may no longer be meaningful or measurable following a change in control. We believe that it would not be fair to executives to lose the entire benefit of

these outstanding awards, which may have already vested in part.

Accelerated vesting of company match under the nonqualified deferred compensation plan

We accelerate the vesting of nonqualified deferred compensation benefits upon death, disability, retirement or a change in control. Benefits under our nonqualified deferred compensation plan have been previously earned and voluntarily deferred by our named executive officers. Although similar to benefits under qualified retirement programs, these benefits are subject to the claims of our creditors, and a change in control transaction may significantly increase this risk. Because of the possible change in the security of their earned benefits upon a change in control, we pay executives their existing balances under our deferred compensation plan. In addition, the payment of such benefits eliminates the need to address the treatment of these benefits as part of a negotiation of a change in control transaction, which reduces the potential delays and costs of the transaction.

Payment of excise tax and gross-up
Beginning in 2012, the gross-up provisions for excise taxes were eliminated and replaced with a best net approach. Under a best net approach, an officer will receive reduced severance benefits if it results in a more favorable after-tax benefit for the officer.

We reimburse (gross-up) our named executive officers for any Section 280(G) excise taxes imposed under federal income tax law in the event of a change in control.

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Detrimental conduct. To help protect our competitive position, the named executive officers have signed detrimental conduct agreements. Detrimental conduct includes: working for certain competitors; soliciting our customers or employees; and disclosing confidential information for a period of up to one year after termination of employment. The detrimental conduct agreements include a provision that requires the named executive officers to forfeit or repay the proceeds from some or all of their long-term incentive awards received up to two years prior to the end of their employment if they engage in conduct that is detrimental to us. In addition, the severance and post-employment benefits described above require the named executive officer to sign an agreement that includes a general release and other restrictive covenants, in addition to the detrimental conduct agreement.

Table of Contents**The Committee's Consideration of the 2011 Nonbinding Advisory Vote to Approve the Compensation of our Named Executive Officers**

In 2011 88% of the shares voted approved the compensation of our named executive officers. At the time of the 2011 vote, the committee had already approved the design and goals of our executive compensation program for the 2011 performance year. The committee has reviewed and discussed: these voting results; the comments received from shareholders; the results of the outreach efforts of management to engage with certain shareholders; and the voting results on this proposal at members of our peer group. After its review and discussion, the committee has concluded that the 2011 vote affirmed shareholder support of our approach to executive compensation and therefore did not change its compensation policies and decisions with respect to 2012 as a result of the 2011 vote.

As detailed on pages 43-44 and in the footnotes to the Summary Compensation Table, the "Total" compensation numbers in the Summary Compensation Table do *not* represent the total direct compensation earned by the named executive officers for 2011 performance. The reasons are explained in the footnotes and in the Compensation Discussion and Analysis. We urge you to consider these points carefully when reviewing the Summary Compensation Table.

Summary Compensation Table

The following table contains compensation information for our chief executive officer, chief financial officer, and the three other executive officers who were the most highly compensated for the year ended December 31, 2011.

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	Change in Pension Value and Non-Equity Non-Qualified Incentive Deferred Plan Compensation		All Other Compensation (\$)(4)	Total (\$)(5)
						(\$)(2)	(\$)(3)		
James M. Cracchiolo Chairman and Chief Executive Officer	2011	\$950,000	\$ 0	\$ 1,886,000	\$3,771,000	\$ 8,025,000	\$ 1,566,448	\$ 661,137	\$18,849,585
				\$ 1,990,000					
	2010	\$950,000	\$ 0	\$2,850,000	\$2,850,000	\$ 9,428,000	\$ 915,458	\$ 735,596	\$17,729,054
	2009	\$850,000	\$ 0	\$ 0	\$9,100,000	\$ 5,700,000	\$ 610,732	\$ 432,971	\$18,783,703
						\$ 2,090,000			
Walter S. Berman Executive Vice President and Chief Financial Officer	2011	\$650,000	\$ 0	\$ 591,000	\$1,182,000	\$ 2,598,000	\$ 471,212	\$ 212,955	\$ 6,329,167
				\$ 624,000					
	2010	\$650,000	\$ 0	\$ 825,000	\$ 825,000	\$ 2,953,000	\$ 343,503	\$ 210,975	\$ 5,807,478
	2009	\$450,000	\$ 0	\$ 0	\$2,500,000	\$ 2,100,000	\$ 96,061	\$ 179,538	\$ 5,645,599
						\$ 320,000			

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William F. Truscott CEO, U.S. Asset Management and President, Annuities	2011	\$ 650,000	\$ 0	\$ 674,000	\$ 1,347,000	\$ 2,732,000	\$ 394,399	\$ 167,362	\$ 6,675,761
				\$ 711,000					
	2010	\$ 650,000	\$ 0	\$ 975,000	\$ 975,000	\$ 3,368,000	\$ 248,636	\$ 29,333	\$ 6,245,969
	2009	\$ 450,000	\$ 0	\$ 0	\$ 2,900,000	\$ 2,400,000	\$ 193,322	\$ 44,198	\$ 6,307,520
						\$ 320,000			
Glen Salow Executive Vice President, Service Delivery and Technology	2011	\$ 575,000	\$ 0	\$ 406,000	\$ 812,000	\$ 1,701,000	\$ 312,393	\$ 56,102	\$ 4,290,495
				\$ 428,000					
	2010	\$ 575,000	\$ 0	\$ 637,500	\$ 637,500	\$ 2,029,000	\$ 216,210	\$ 54,375	\$ 4,149,585
	2009	\$ 475,000	\$ 0	\$ 0	\$ 2,050,000	\$ 1,500,000	\$ 162,768	\$ 51,651	\$ 4,699,419
						\$ 460,000			
Donald E. Froude President, The Personal Advisors Group	2011	\$ 550,000	\$ 0	\$ 403,000	\$ 806,000	\$ 1,715,000	\$ 137,433	\$ 132,595	\$ 4,169,028
				\$ 425,000					
	2010	\$ 550,000	\$ 0	\$ 900,000	\$ 400,000	\$ 2,016,000	\$ 93,281	\$ 157,378	\$ 4,116,659
	2009	\$ 400,000	\$ 0	\$ 0	\$ 1,150,000	\$ 1,500,000	\$ 5,154	\$ 117,065	\$ 3,172,219
						\$ 0			

(1)

The numbers in these columns are *not* the grant date fair value of restricted stock awards and stock options awarded to the named executive officer for 2011 performance. These amounts represent the grant date fair value of restricted stock awards, performance shares, and stock options for 2010 performance, but granted on February 7, 2011. For 2011, there are two amounts listed in the

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stock awards column. The top number is the restricted stock award earned for 2010. The bottom number is the performance share award granted at target for 2010.

The Company calculates the grant date fair value of restricted stock awards, performance shares and stock options in accordance with the applicable accounting rules. The grant date fair value represents the total compensation expense that the Company will recognize for restricted stock awards and stock options whereas the total compensation expense for performance shares will ultimately be the market value as of the vesting date.

When we calculate the grant date fair value of restricted stock awards, we factor in the present value of future dividends to be paid on restricted shares. Those dividends will be the same as those paid to other shareholders.

In order to calculate the grant date fair value of stock options, we use the Black-Scholes option pricing model. For the stock options that became effective on February 7, 2011, we used the following assumptions for purposes of the Black-Scholes option pricing model: (i) an expected life of 5 years for each option; (ii) a dividend yield of 1.3%; (iii) an expected stock price volatility of 43.55%; and (iv) a risk-free rate of return of 2.262%.

(2)

This column represents the non-equity incentive plan compensation earned by the named executive officers. For 2011, this number is the cash incentive award that was earned for 2011 performance. For 2010, this number is the cash incentive award that was earned for 2010 performance. For 2009, there are two amounts listed. The top number is the cash incentive award that was earned for that year's performance. The bottom number is the amount paid to the named executive officer for awards earned under the discontinued Long-Term Performance Plan.

(3)

These amounts represent the changes in pension value for calendar year 2011 under the Company's retirement plans as described in the Pension Benefits Table of this proxy statement, effective December 31 of each fiscal year.

(4)

The 2011 amounts disclosed for All Other Compensation primarily consist of: (i) employer contributions under the 401(k) plan; (ii) the annual executive perquisites allowance, which is \$35,000 for Mr. Cracchiolo and \$25,000 for each other named executive officer, except Mr. Truscott who does not receive this allowance and instead receives a reimbursement of financial planning fees paid to an Ameriprise financial advisor; (iii) a Company matching contribution on voluntary deferrals under the deferred compensation plan of the 2011 cash incentive award that are credited in the form of deferred share units; (iv) incremental cost of using a Company leased apartment instead of hotel for business travel to Minneapolis; (v) the incremental cost associated with certain personal use of the aircraft and Company-provided vehicle and driver, as required by the Company's security program (defined below); (vi) club membership fees which are used primarily for business purposes; (vii) the incremental cost of parking; (viii) reimbursement of certain income tax liabilities related to a specific business trip (although business travel ordinarily does not result in imputed income for an employee, the Company imputed income to these named executive officers in this instance in order to optimize its tax treatment for the business travel and the amount of the associated tax reimbursement for each officer is shown following his name: Messrs. Cracchiolo (\$2,453), Berman (\$5,507), and Salow (\$3,818)); (ix) Company reimbursement of spousal travel for certain Company events; and (x) gifts provided in conjunction with Company events. As a part of the CEO security program approved by the Compensation and Benefits Committee, the Company provided Mr. Cracchiolo with the following: security system monitoring for his

personal residences; use of a car and driver for business and commuting purposes; use of our corporate aircraft by Mr. Cracchiolo and others for business and personal travel. We have increased the amounts shown for 2010 in the "All Other Compensation" and "Total" columns for Mr. Cracchiolo by \$20,910 in order to report the correct amounts for that year.

For purposes of calculating the 2011 incremental cost for use of the car and driver, a per mile rate was determined using vehicle maintenance, fuel, and toll expenses and applying the calculated rate to all miles associated with commuting or personal use. The Company used the following methodology for determining the incremental cost for personal usage of the corporate aircraft: (a) when used solely for personal travel, an hourly flight rate (that considers fuel, maintenance and miscellaneous flight costs) plus any direct expense associated with in-flight catering is applied; and (b) when others accompany executives during regular business travel, the incremental cost reflects those direct expenses associated with in-flight catering only. For purposes of calculating the incremental cost of the personal use of corporate aircraft during 2011, the following per flight hourly costs were used, rounded to the nearest dollar: \$4,303 or \$4,017, depending upon the aircraft used.

The following table shows the breakout of the major categories of All Other Compensation for the year ended December 31, 2011.

Name	Company Contributions to the 401(k)	Matching Contributions to Deferred Compensation Plan	Annual Cash Perquisites Allowance or Reimbursement of Financial Planning Fees	Personal Use of Corporate Aircraft
James M. Cracchiolo	\$ 12,250	\$ 401,250	\$ 35,000	\$ 133,356
Walter S. Berman	\$ 12,250	\$ 129,900	\$ 25,000	\$ 6,807
William F. Truscott	\$ 12,250	\$ 136,600	\$ 1,500	\$ 0
Glen Salow	\$ 12,250	\$ 0	\$ 25,000	\$ 3,868
Donald E. Froude	\$ 12,250	\$ 85,750	\$ 25,000	\$ 250

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Grants of Plan-Based Awards

The table below shows the equity incentive awards made to our named executive officers in 2011. These awards were based on 2010 performance and funded from the 2010 total incentive pool. Stock options will not have value unless there is an increase in share price above the option exercise price. Performance share awards will not have value unless minimum performance results are achieved.

	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards(1)		All Other Stock Awards (# of shares of Stock or Units) (#)(2)	All Other Exercise or Grant Date Fair Value of Stock and Option Awards (#)(3)	Exercise Price of Option Awards (\$/share)(4)	Grant Date Fair Value of Stock and Option Awards (\$)(5)
		Target (#)	Maximum				
James M. Cracchiolo	2/7/2011	NA	33,901	67,802	32,129	176,343	\$ 58.70 \$ 7,647,000
Walter S. Berman	2/7/2011	NA	10,630	21,260	10,068	55,273	\$ 58.70 \$ 2,397,000
William F. Truscott	2/7/2011	NA	12,112	24,224	11,482	62,989	\$ 58.70 \$ 2,732,000
Glen Salow	2/7/2011	NA	7,291	14,582	6,916	37,971	\$ 58.70 \$ 1,646,000
Donald E. Froude	2/7/2011	NA	7,240	14,480	6,865	37,691	\$ 58.70 \$ 1,634,000

- (1) This represents the number of performance shares awarded. These awards are scheduled to vest at the end of a three-year performance period and will change in value based on earnings per share growth, average return on equity, and total shareholder return performance as described in our 2011 proxy statement. The maximum payout is 200% of target.
- (2) This represents the number of restricted shares awarded. These awards are scheduled to vest over a three-year period in increments of one-third per year.
- (3) This represents the number of stock options awarded. These awards are scheduled to vest over a three-year period in increments of one-third per year.
- (4) The exercise price is equal to the closing market price of Ameriprise Financial stock on the grant date.
- (5)

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These amounts are the grant date fair value of the stock options, restricted stock awards and performance shares as represented by the total ASC 718 compensation expense that will be recognized for these awards. The Company uses the Black-Scholes option pricing model to estimate its compensation cost for stock option awards. The assumptions used in the Black-Scholes model for grants made on February 7, 2011 were: (i) an expected life of 5 years for each option; (ii) a dividend yield of 1.3%; (iii) an expected stock price volatility of 44%; and (iv) a risk-free rate of return of 2.3%.

When calculating the grant date fair value of restricted stock awards, the Company factors in the present value of the future dividends to be paid on the shares of restricted stock.

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Outstanding Equity Awards at Fiscal Year End 2011

The following table contains information regarding outstanding equity awards held by the named executive officer as of December 31, 2011.

	Option Awards(3)					Stock Awards(4)			
	Option Grant Date(1)	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (\$/Share)	Option Exercise Price (\$/Share)	Option Expiration Date	Restricted Stock Grant Date(1)	Number of Shares or Units of Stock That Have Not Vested (#)	Number of Performance Units of Stock That Have Not Vested (\$)(5)
James M. Cracchiolo	09/30/2005	216,603(2)		\$ 31.3125	01/25/2014	02/08/2010	51,034		\$ 2,533,328
	09/30/2005	232,648(2)		\$ 32.5871	01/23/2015	02/07/2011	32,129		\$ 1,594,884
	10/03/2005	878,186(2)		\$ 35.0350	10/02/2015	02/07/2011		33,901	\$ 1,682,846
	01/26/2006	565,267(2)		\$ 43.6550	01/27/2016				
	01/30/2007	457,999(2)		\$ 58.7300	01/30/2017				
	01/29/2008	656,535(2)		\$ 52.8600	01/29/2018				
	02/02/2009	342,843	685,688	\$ 21.3400	02/03/2019				
	02/08/2010	62,664	125,330	\$ 37.2300	02/09/2020				
	02/07/2011		176,343	\$ 58.7000	02/08/2021				
Walter S. Berman	10/03/2005	276,817(2)		\$ 35.0350	10/02/2015	02/08/2010	14,773		\$ 733,332
	01/26/2006	71,091(2)		\$ 43.6550	01/27/2016	02/07/2011	10,068		\$ 499,776
	01/30/2007	70,124(2)		\$ 58.7300	01/30/2017	02/07/2011		10,630	\$ 527,673
	01/29/2008	123,214(2)		\$ 52.8600	01/29/2018				
	02/02/2009	94,187	188,376	\$ 21.3400	02/03/2019				
	02/08/2010	18,139	36,280	\$ 37.2300	02/09/2020				
	02/07/2011		55,273	\$ 58.7000	02/08/2021				
William F. Truscott	10/03/2005	66,817(2)		\$ 35.0350	10/02/2015	02/08/2010	17,459		\$ 866,665
	01/26/2006	88,863(2)		\$ 43.6550	01/27/2016	02/07/2011	11,482		\$ 569,966
	01/30/2007	70,124(2)		\$ 58.7300	01/30/2017	02/07/2011		12,112	\$ 601,240
	01/29/2008	155,537(2)		\$ 52.8600	01/29/2018				
	02/02/2009	109,257	218,516	\$ 21.3400	02/03/2019				
	02/08/2010	21,437	42,876	\$ 37.2300	02/09/2020				
	02/07/2011		62,989	\$ 58.7000	02/08/2021				

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Glen Salow	10/03/2005	276,817(2)		\$ 35.0350	10/02/2015	02/08/2010	11,416	\$ 566,690
	01/26/2006	118,484(2)		\$ 43.6550	01/27/2016	02/07/2011	6,916	\$ 343,310
	01/30/2007	100,803(2)		\$ 58.7300	01/30/2017	02/07/2011		7,291 \$ 361,925
	01/29/2008	136,607(2)		\$ 52.8600	01/29/2018			
	02/02/2009	77,234	154,468	\$ 21.3400	02/03/2019			
	02/08/2010	14,017	28,034	\$ 37.2300	02/09/2020			
	02/07/2011		37,971	\$ 58.7000	02/08/2021			
Donald E. Froude	10/01/2008	72,941(2)		\$ 38.8300	10/02/2018	02/08/2010	16,116	\$ 799,998
	02/02/2009	43,326	86,653	\$ 21.3400	02/03/2019	02/07/2011	6,865	\$ 340,779
	02/08/2010	8,795	17,590	\$ 37.2300	02/09/2020	02/07/2011		7,240 \$ 359,394
	02/07/2011		37,691	\$ 58.7000	02/08/2021			

- (1) For better understanding of this table, we have included additional columns showing the grant date of stock options, restricted stock, and performance share units.
- (2) These stock options are fully vested. The vesting schedule for these stock options was disclosed in the tables from prior proxy statements.
- (3) Stock options vest according to the following:

Option Grant Date	Vesting Schedule	Remaining Vesting Dates
02/02/2009	33.33% vests each year for three years beginning two years from date of grant	02/02/2012, and 02/02/2013
2/08/2010	33.33% vests each year for three years beginning one year from date of grant	02/08/2012, and 02/08/2013
2/07/2011	33.33% vests each year for three years beginning one year from date of grant	02/07/2012, 02/07/2013, and 02/07/2014

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(4)

Restricted stock vests according to the following:

Restricted Stock Grant Date	Vesting Schedule	Remaining Vesting Dates
2/08/2010	33.33% vests each year for three years beginning one year from date of grant	02/08/2012, and 02/08/2013
2/07/2011	33.33% vests each year for three years beginning one year from date of grant	02/07/2012, 02/07/2013, and 02/07/2014

(5)

Performance Share Units granted in 2011 will vest on December 31, 2013, and are subject to the achievement of the established performance measures. Payout may range from 0% to 200% of target.

(6)

The market value of restricted stock is based on a market closing price on the NYSE of \$49.64 on December 30, 2011.

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Option Exercises and Stock Vested

The following table contains all stock option exercises and vesting events of restricted stock awards for all named executive officers during fiscal year 2011.

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(4)
James M. Cracchiolo	0	\$ 0	25,517(1)	\$ 1,534,592(i)
Walter S. Berman	0	\$ 0	7,386(1)	\$ 444,194(i)
William F. Truscott	0	\$ 0	8,729(1)	\$ 524,962(i)
			4,573(2)	\$ 275,798(ii)
Glen Salow	194,943(5)(7)	\$ 3,643,266	5,707(1)	\$ 343,219(i)
	208,581(6)(7)	\$ 3,632,288		
Donald E. Froude	0	\$ 0	8,058(1)	\$ 484,608(i)
			6,438(3)	\$ 253,400(iii)

(1)

On 2/8/2011, the following restricted stock awards vested:

For Mr. Cracchiolo: a total of 25,517 shares vested, 11,815 of these shares were withheld to cover taxes, and a net of 13,702 shares were delivered.

For Mr. Berman: a total of 7,386 shares vested, 3,307 of these shares were withheld to cover taxes, and a net of 4,079 shares were delivered.

For Mr. Truscott: a total of 8,729 shares vested, 3,696 of these shares were withheld to cover taxes, and a net of 5,033 shares were delivered.

For Mr. Salow: a total of 5,707 shares vested, 2,641 of these shares were withheld to cover taxes, and a net of 3,066 shares were delivered.

For Mr. Froude: a total of 8,058 shares vested, 3,541 of these shares were withheld to cover taxes, and a net of 4,517 shares were delivered.

(2)

On 1/29/2011, the following restricted stock awards vested:

For Mr. Truscott: a total of 4,573 shares vested, 1,479 shares of these shares were withheld to cover taxes, and a net of 3,094 shares were delivered.

(3)

On 10/1/11, the following restricted stock awards vested:

For Mr. Froude: a total of 6,438 shares vested, 2,831 of these shares were withheld to cover taxes, and a net of 3,607 shares were delivered.

(4)

The value realized on vesting for restricted stock awards was based on the market closing price of an Ameriprise share on the date of vesting.

i.

For 2/8/2011, the market closing price was \$60.14 per share.

ii.

For 1/29/2011, the market closing price was \$60.31 per share.

iii.

For 10/1/2011, the market closing price was \$39.36 per share.

(5)

On 12/22/2011, the following stock options were exercised:

For Mr. Salow: a total of 194,943 options were exercised at an exercise price of \$31.3125. The market closing price of a share of stock on that date was \$50.05.

(6)

On 12/22/2011, the following stock options were exercised:

For Mr. Salow: a total of 208,581 options were exercised at an exercise price of \$32.5871. The market closing price of a share of stock on that date was \$50.05.

(7)

Mr. Salow's option exercises described in footnotes (5) and (6) involved the sale of 363,700 shares in multiple transactions with sale prices ranging from \$50.00 to \$50.07 a share.

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Non-Qualified Deferred Compensation for 2011

This table provides information about the Ameriprise Financial Deferred Compensation Plan. A named executive officer may only participate in the plan if he elects to defer receipt of compensation that would otherwise be payable to him in cash. All named executive officers, except Mr. Salow elected to participate in the plan for the 2011 performance year. The amounts shown in the column "Executive Contributions" come from a deferral of the named executive officer's cash incentive award. If the named executive officer had not chosen to defer these amounts, we would have paid these amounts to him in cash. The amounts shown in this column are part of the dollar amount shown in the Summary Compensation Table on page 52, in the column "Non-Equity Incentive Plan Compensation" for 2011. **The amount shown in the column "Executive Contributions" is not an additional award to the named executive officer.**

	Executive Contributions(1)	Company Contributions(2)	Aggregate Earnings in Last Fiscal Year(3)	Aggregate Withdrawals/ Distributions in Last Fiscal Year	Aggregate Balance as of December 31, 2011(4)
James M. Cracchiolo	\$ 1,605,000	\$ 401,250	\$ (1,167,212)	\$ 0	\$ 10,970,891
Walter S. Berman	\$ 519,600	\$ 129,900	\$ (119,138)	\$ 0	\$ 3,478,602
William F. Truscott	\$ 546,400	\$ 136,600	\$ 47,478	\$ 1,135,847	\$ 653,505
Glen Salow	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Donald E. Froude	\$ 343,000	\$ 85,750	\$ (251,904)	\$ 0	\$ 1,442,861

- (1) These amounts are included in the Summary Compensation Table on page 52 in the column captioned "Non-Equity Incentive Compensation Plan Compensation", for 2011. These deferrals will not be credited to deferral accounts until after December 31, 2011 and therefore are not included in the column "Aggregate Balance as of December 31, 2011".
- (2) These amounts are included in the Summary Compensation Table on page 52 in the column labeled "All Other Compensation." Executives received a 25% Company matching contribution on deferrals of 2011 cash incentive awards (deferrals eligible for matching contributions are limited to 20% of such awards). The Company matching contributions are invested in the Ameriprise Common Stock Fund, which tracks the performance of Ameriprise Financial common stock and are subject to a three-year cliff vesting period. The Company matching contributions will not be credited to deferral accounts until after December 31, 2011, and therefore are not included in the column "Aggregate Balance as of December 31, 2011."
- (3) These amounts represent the change in market value on amounts previously deferred under the Deferred Compensation Plan, based on the actual market-rate returns and dividend equivalents credited to deferral accounts for the period January through December 2011. Participants are able to invest their deferrals among a number of investment options that track the performance of select Columbia mutual funds, Ameriprise Financial common stock and the Moody's Corporate Bond Yield Index.

(4)

These numbers include amounts previously reported as compensation in Summary Compensation Tables for previous years for Messrs. Cracchiolo (\$8,583,758); Berman (\$3,437,013); Truscott (\$1,812,548); and Froude (\$879,000). The amounts shown in the table above for Messrs. Cracchiolo, Berman, and Truscott include amounts that they deferred prior to our spin-off from American Express Company as a public company on September 30, 2005. As a result, those amounts have not been previously reported as compensation in a Summary Compensation Table included in one of our annual meeting proxy statements. Each aggregate balance reflects the deduction of an \$80 annual administrative fee.

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The following table presents information about the participation of our named executive officers in our retirement programs. Assumptions used for purposes of valuation are included in the footnotes.

	Plan	Number of Years Credited Service	Present Value of Accumulated Benefits(1)	Payments Made During Fiscal 2011
James M. Cracchiolo	Retirement Plan	29	\$ 466,137	\$ 0
	Supplemental Retirement Plan	29	\$ 5,151,109	\$ 0
	Total	29	\$ 5,617,246	\$ 0
Walter S. Berman	Retirement Plan	43	\$ 306,062	\$ 0
	Supplemental Retirement Plan	43	\$ 1,568,540	\$ 0
	Total	43	\$ 1,874,602	\$ 0
William F. Truscott	Retirement Plan	10	\$ 129,502	\$ 0
	Supplemental Retirement Plan	10	\$ 1,422,936	\$ 0
	Total	10	\$ 1,552,438	\$ 0
Glen Salow	Retirement Plan	19	\$ 222,206	\$ 0
	Supplemental Retirement Plan	19	\$ 1,172,342	\$ 0
	Total	19	\$ 1,394,548	\$ 0
Donald E. Froude	Retirement Plan	3	\$ 30,643	\$ 0
	Supplemental Retirement Plan	3	\$ 205,225	\$ 0
	Total	3	\$ 235,868	\$ 0

(1)

The Ameriprise Financial Retirement Plan is a defined benefit pension plan, commonly referred to as a cash balance plan, which covers eligible employees of the Company. Each payroll period, the Company credits the account of each participating employee with an amount equal to a percentage of such employee's pension eligible pay for that period. The percentage varies with the employee's age and years of service. On March 1, 2010, changes were made to lower the applicable contribution percentages under the plan. The new applicable percentages are based on years of service only and no longer consider an employee's age. Employees who were eligible for the plan on March 1, 2010 will continue to receive the benefits outlined in the "Previous Table" below, until such time that the percentage under the "New Table" becomes more favorable.

Previous Table

Sum of Age Plus Years of Service	Applicable Percentage
Less than 35	2.50%
35-44	3.25
45-59	4.25
60-74	5.75
75-89	8.00
90 or more	10.00

New Table (effective March 1, 2010)

Years of Service	Applicable Percentage
Less than 5	2.50%
5-9	3.25
10-14	4.00
15 and over	5.00

The retirement plan credits participants with interest on their balances. The retirement plan sets the fixed interest rate each year based on the average of the daily five-year U.S. Treasury Note yields for the previous October 1 through November 30. The minimum interest rate is 5%. The maximum rate is the lower of 10% or a specific rate set by the U.S. government under the tax laws. For 2011, the interest rate was 5%.

When an employee retires or terminates employment after completing three years of service, the retirement plan will pay out the cash balance amounts. The retirement plan will make these payments in the form and at the time the employee elects, including payment in a single lump sum or as an annuity. An annuity obligates the retirement plan to make payments in monthly installments over time, in amounts based on plan assumptions as to life expectancy and the value of making payments in the future. Employees may choose similar methods of payment for benefits they earned before July 1, 1995.

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The Ameriprise supplemental retirement plan is a non-qualified pension plan that allows participants to receive retirement plan contributions on pension earnings that exceed applicable limits under the Internal Revenue Code of 1986, as amended. The supplemental retirement plan balances vest after completing three years of service, reaching age 65, or upon disability or death.

The retirement plan account balances for Messrs. Cracchiolo, Berman, Truscott, Salow and Froude as of December 31, 2011 were \$417,881; \$306,062; \$113,536; \$202,897; and \$28,092, respectively. The supplemental retirement plan account balances for Messrs. Cracchiolo, Berman, Truscott, Salow, and Froude as of December 31, 2011 were \$4,574,156; \$1,536,740; \$1,238,468; \$1,058,382; and \$185,947, respectively. For Mr. Froude, neither the retirement plan or supplemental retirement plan amounts are vested. The December 31, 2011 values shown in the table above for the retirement plan assumes a discount rate of 4.0% and a discount rate of 4.1% for the supplemental retirement plan. The values assume an interest crediting rate of 5.00% and a retirement age of 65 for both the retirement plan and the supplemental retirement plan.

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Potential Payments Upon Termination or Change of Control for Named Executive Officers

The tables below describe the potential termination payments for the named executive officers under various separation of employment scenarios as if they occurred on December 31, 2011. Descriptions of these plans and policies are contained in the Compensation Discussion and Analysis and other sections of this proxy statement. As noted earlier, the Company does not have employment agreements with any of the named executive officers. Rather, the rights of our executives with respect to specific events, including death, disability, severance or retirement, or a change in control of the Company, are covered by certain compensation and benefit plans of the Company.

We are providing two sets of tables for each named executive officer to show you what he would receive if he no longer worked for the company. The first table shows the vested plan amounts that the named executive officer would receive if he left the Company for any reason. Any other employee participating in these plans would also receive any vested amounts in these plans if he or she no longer worked for the Company. The second table shows what the named executive officer would receive under various hypothetical situations resulting in a termination of his employment. The second table does not include amounts disclosed in the first table.

Both tables assume that the named executive officer's employment terminated on December 31, 2011. Because the numbers disclosed are calculated as of that date and are subject to other estimates and assumptions, the actual amounts the named executive officer may receive may differ materially from those shown in the tables. The calculations for the payouts are based on plan provisions outlined in the common set of footnotes to the tables. Unless otherwise specified in the common set of footnotes to the tables, all payments and benefits would be provided by Ameriprise Financial, Inc.

In addition to the amounts disclosed in these tables, the named executive officer would also receive any restricted stock that vested on or before his termination date. He would also be able to exercise any vested stock options. For more information, please see the Outstanding Equity Awards at Fiscal Year-End table on page 55.

As explained earlier in the Compensation Discussion and Analysis, the committee approved several changes to our severance and change in control plans that reduce the potential benefits for our named executive officers beginning in 2012, including: elimination of excise tax gross-ups, change to a double trigger approach for Long-Term Investment Award vesting, reduction in severance multiples for non change in control severance, and the adjustment of the severance formula to be based on the average of the prior three years' bonus. The following tables will be updated in our 2013 annual meeting proxy statement to reflect these changes to our plans.

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James M. Cracchiolo. The following tables describe the potential termination payments for Mr. Cracchiolo for the various termination of employment scenarios, assuming separation of employment on December 31, 2011. **These tables will be updated in our 2013 annual meeting proxy statement to reflect the 2012 changes in our plans.** These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 57.

Vested Plan Balances Payable Upon Termination of Employment for any Reason⁽¹⁾

Retirement Plan	\$ 417,881
401(k) Plan	\$ 1,426,346
Supplemental Retirement Plan	\$ 4,887,410
Deferred Compensation Plan	\$ 10,216,563
Total	\$ 16,948,200

Other Amounts Payable Upon Termination of Employment
Involuntary
or
Good
Reason

	Voluntary For Termination Cause Retirement	Involuntary Not for Cause Termination	Involuntary Termination following a Change in Control(10)	Termination Due to Disability	Termination Due to Death
Severance benefit(2)	\$ 0	\$ 0	\$ 31,134,000	\$ 31,134,000	\$ 0
Payment of annual cash incentive award(3)	\$ 0	\$ 0	\$ 0	\$ 7,564,000	\$ 8,025,000
Accelerated vesting of long-term performance plan awards(4)	\$ 0	\$ 0	\$ 0	\$ 1,682,846	\$ 1,682,846
Accelerated vesting of stock options(4)	\$ 0	\$ 0	\$ 0	\$ 20,960,316	\$ 20,960,316
Accelerated vesting of restricted stock awards(4)	\$ 0	\$ 0	\$ 0	\$ 4,128,211	\$ 4,128,211
Continued contributions to supplemental retirement plan(5)	\$ 0	\$ 0	\$ 0	\$ 2,528,220	\$ 0
Accelerated vesting of deferred compensation plan match(6)	\$ 0	\$ 0	\$ 0	\$ 754,328	\$ 754,328
Continued participation in health and welfare benefits(7)	\$ 0	\$ 0	\$ 30,323	\$ 30,323	\$ 0
Payout of life insurance benefits(8)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,350,000
Present value of disability benefits(9)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,818,049
Total	\$ 0	\$ 0	\$ 31,164,323	\$ 68,782,244	\$ 37,368,750

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Walter S. Berman. The following tables describe the potential termination payments for Mr. Berman for the various termination of employment scenarios, assuming separation of employment on December 31, 2011. **These tables will be updated in our 2013 annual meeting proxy statement to reflect the 2012 changes in our plans.** These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 57.

Vested Plan Balances Payable Upon Termination of Employment for any Reason⁽¹⁾

Retirement Plan	\$ 306,062
401(k) Plan	\$ 312,934
Supplemental Retirement Plan	\$ 1,600,137
Deferred Compensation Plan	\$ 3,478,602
Total	\$ 5,697,735

Other Amounts Payable Upon Termination of Employment

	Involuntary or Good Reason					
	Voluntary Termination/ Retirement	For Cause Termination	Involuntary Not for Cause Termination	Termination following a Change in Control⁽¹⁰⁾	Termination Due to Disability	Termination Due to Death
Severance benefit ⁽²⁾	\$ 0	\$ 0	\$ 7,206,000	\$ 10,809,000	\$ 0	\$ 0
Payment of annual cash incentive award ⁽³⁾	\$ 2,598,000	\$ 0	\$ 0	\$ 2,526,500	\$ 2,598,000	\$ 2,598,000
Accelerated vesting of long-term performance plan awards ⁽⁴⁾	\$ 0	\$ 0	\$ 0	\$ 527,673	\$ 527,673	\$ 527,673
Accelerated vesting of stock options ⁽⁴⁾	\$ 0	\$ 0	\$ 0	\$ 5,781,276	\$ 5,781,276	\$ 5,781,276
Accelerated vesting of restricted stock awards ⁽⁴⁾	\$ 0	\$ 0	\$ 0	\$ 1,233,107	\$ 1,233,107	\$ 1,233,107
Continued contributions to supplemental retirement plan ⁽⁵⁾	\$ 0	\$ 0	\$ 0	\$ 1,118,400	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match ⁽⁶⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Continued participation in health and welfare benefits ⁽⁷⁾	\$ 0	\$ 0	\$ 19,889	\$ 29,833	\$ 0	\$ 0
Payout of life insurance benefits ⁽⁸⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 650,000
Present value of disability benefits ⁽⁹⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 2,598,000	\$ 0	\$ 7,225,889	\$ 22,025,789	\$ 10,140,056	\$ 10,790,056

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William F. Truscott. The following tables describe the potential termination payments for Mr. Truscott for the various termination of employment scenarios, assuming separation of employment on December 31, 2011. **These tables will be updated in our 2013 annual meeting proxy statement to reflect the 2012 changes in our plans.** These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 57.

Vested Plan Balances Payable Upon Termination of Employment for any Reason⁽¹⁾

Retirement Plan	\$ 113,536
401(k) Plan	\$ 341,411
Supplemental Retirement Plan	\$ 1,333,611
Deferred Compensation Plan	\$ 653,505
Total	\$ 2,442,063

Other Amounts Payable Upon Termination of Employment
Involuntary
or
Good
Reason

	Voluntary For Termination Retirement	For Cause Termination	Involuntary Not for Cause Termination	Termination following a Change in Control(10)	Termination Due to Disability	Termination Due to Death
Severance benefit(2)	\$ 0	\$ 0	\$ 8,036,000	\$ 12,054,000	\$ 0	\$ 0
Payment of annual cash incentive award(3)	\$ 0	\$ 0	\$ 0	\$ 2,884,000	\$ 2,732,000	\$ 2,732,000
Accelerated vesting of long-term performance plan awards(4)	\$ 0	\$ 0	\$ 0	\$ 601,240	\$ 601,240	\$ 601,240
Accelerated vesting of stock options(4)	\$ 0	\$ 0	\$ 0	\$ 6,716,094	\$ 6,716,094	\$ 6,716,094
Accelerated vesting of restricted stock awards(4)	\$ 0	\$ 0	\$ 0	\$ 1,436,631	\$ 1,436,631	\$ 1,436,631
Continued contributions to supplemental retirement plan(5)	\$ 0	\$ 0	\$ 0	\$ 549,795	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match(6)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Continued participation in health and welfare benefits(7)	\$ 0	\$ 0	\$ 38,129	\$ 57,193	\$ 0	\$ 0
Payout of life insurance benefits(8)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,600,000
Present value of disability benefits(9)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,021,429	\$ 0
Total	\$ 0	\$ 0	\$ 8,074,129	\$ 24,298,953	\$ 13,507,394	\$ 14,085,965

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Glen Salow. The following tables describe the potential termination payments for Mr. Salow for the various termination of employment scenarios, assuming separation of employment on December 31, 2011. **These tables will be updated in our 2013 annual meeting proxy statement to reflect the 2012 changes in our plans.** These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 57.

Vested Plan Balances Payable Upon Termination of Employment for any Reason⁽¹⁾

Retirement Plan	\$ 202,897
401(k) Plan	\$ 438,707
Supplemental Retirement Plan	\$ 1,229,400
Deferred Compensation Plan	\$ 0
Total	\$ 1,871,004

Other Amounts Payable Upon Termination of Employment
Involuntary
or Good
Reason

	Voluntary For Termination Cause Retirement	Voluntary For Termination Cause	Involuntary Not for Cause Termination	Involuntary Termination following a Change in Control ⁽¹⁰⁾	Termination Due to Disability	Termination Due to Death
Severance benefit ⁽²⁾	\$ 0	\$ 0	\$ 5,208,000	\$ 7,812,000	\$ 0	\$ 0
Payment of annual cash incentive award ⁽³⁾	\$ 0	\$ 0	\$ 0	\$ 1,764,500	\$ 1,701,000	\$ 1,701,000
Accelerated vesting of long-term performance plan awards ⁽⁴⁾	\$ 0	\$ 0	\$ 0	\$ 361,925	\$ 361,925	\$ 361,925
Accelerated vesting of stock options ⁽⁴⁾	\$ 0	\$ 0	\$ 0	\$ 4,719,346	\$ 4,719,346	\$ 4,719,346
Accelerated vesting of restricted stock awards ⁽⁴⁾	\$ 0	\$ 0	\$ 0	\$ 910,000	\$ 910,000	\$ 910,000
Continued contributions to supplemental retirement plan ⁽⁵⁾	\$ 0	\$ 0	\$ 0	\$ 486,690	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match ⁽⁶⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Continued participation in health and welfare benefits ⁽⁷⁾	\$ 0	\$ 0	\$ 19,766	\$ 29,650	\$ 0	\$ 0
Payout of life insurance benefits ⁽⁸⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,725,000
Present value of disability benefits ⁽⁹⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,623,767	\$ 0
Total	\$ 0	\$ 0	\$ 5,227,766	\$ 16,084,111	\$ 9,316,038	\$ 9,417,271

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Donald E. Froude The following tables describe the potential termination payments for Mr. Froude for the various termination of employment scenarios, assuming separation of employment on December 31, 2011. **These tables will be updated in our 2013 annual meeting proxy statement to reflect the 2012 changes in our plans.** These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 57.

Vested Plan Balances Payable Upon Termination of Employment for any Reason⁽¹⁾

Retirement Plan	\$ 28,092
401(k) Plan	\$ 104,687
Supplemental Retirement Plan	\$ 185,947
Deferred Compensation Plan	\$ 1,262,709
Total	\$ 1,581,435

Other Amounts Payable Upon Termination of Employment
Involuntary
or
Good
Reason

	Voluntary For Termination Cause Retirement	Voluntary For Termination Cause	Involuntary Not for Cause Termination	Termination following a Change in Control(10)	Termination Due to Disability	Termination Due to Death
Severance benefit(2)	\$ 0	\$ 0	\$ 3,849,000	\$ 5,132,000	\$ 0	\$ 0
Payment of annual cash incentive award(3)	\$ 0	\$ 0	\$ 0	\$ 1,758,000	\$ 1,715,000	\$ 1,715,000
Accelerated vesting of long-term performance plan awards(4)	\$ 0	\$ 0	\$ 0	\$ 359,394	\$ 359,394	\$ 359,394
Accelerated vesting of stock options(4)	\$ 0	\$ 0	\$ 0	\$ 2,670,572	\$ 2,670,572	\$ 2,670,572
Accelerated vesting of restricted stock awards(4)	\$ 0	\$ 0	\$ 0	\$ 1,140,777	\$ 1,140,777	\$ 1,140,777
Continued contributions to supplemental retirement plan(5)	\$ 0	\$ 0	\$ 0	\$ 243,110	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match(6)	\$ 0	\$ 0	\$ 0	\$ 180,152	\$ 180,152	\$ 180,152
Continued participation in health and welfare benefits(7)	\$ 0	\$ 0	\$ 14,794	\$ 19,726	\$ 0	\$ 0
Payout of life insurance benefits(8)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,550,000
Present value of disability benefits(9)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,576,589	\$ 0
Total	\$ 0	\$ 0	\$ 3,863,794	\$ 11,503,731	\$ 7,642,484	\$ 8,615,895

(1)

In the event of termination of employment for any reason, the executive is eligible to receive these vested amounts under the Company's retirement, 401(k), supplemental retirement and deferred compensation plans.

(2)

Under the Ameriprise Financial Senior Executive Severance Plan, the severance for certain involuntary terminations was reduced for any executive officer hired or promoted after March 19, 2008. This change applied to Mr. Froude who was hired after this date. Mr. Froude's severance for certain involuntary terminations is equal to one and a half times the sum of base salary plus the highest annual bonus received over the previous three years and for involuntary termination not for cause or constructive termination within two years following a change in control is equal to two times the sum of base salary plus the highest annual bonus received over the previous three years. For the named executive officers other than Mr. Cracchiolo, severance for certain involuntary terminations is equal to two times the sum of base salary plus the highest annual bonus received over the previous three years and for involuntary termination not for cause or constructive termination within two years following a change in control is equal to three times the sum of base salary plus the highest annual bonus received over the previous three years. For Mr. Cracchiolo, severance is equal to three times the sum of base salary plus the highest annual bonus received over the previous three years for certain involuntary terminations and for involuntary termination not for cause or constructive termination within two years following a change in control. For all participants under the Ameriprise Financial Senior Executive Severance Plan, the severance benefit is payable in biweekly installments, beginning on the seventh month following the executive's termination of employment (i.e., following a six-month delay), not exceeding the duration during which the executive is entitled to receive severance benefits under the plan.

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- (3) If an executive leaves due to retirement, death or disability, the amount paid to the executive for their annual cash incentive award is discretionary. The hypothetical amount shown in the table is based on the actual cash incentive award earned for 2011 performance. In the event of involuntary termination not for cause within two years of a change of control, the executive will receive the average of the prior two years' annual cash incentive awards in a lump sum following the executive's termination of employment. The hypothetical amount shown in the table is based on the average of the actual cash incentive awards earned for 2009 and 2010.
- (4) In the event of a change in control, death or disability, vesting accelerates for all outstanding stock options, restricted stock, and long-term performance plan awards. Accelerated vesting of equity in the event of a change in control does not require an involuntary or good reason termination of employment. In the event of retirement, outstanding restricted stock awards, restricted stock units, performance shares and stock options granted in the year of retirement are forfeited, and awards granted prior to the year of retirement continue to vest.
- (5) In the event of involuntary termination not for cause or constructive termination within two years of a change of control, the executive will receive the value of Company contributions that would have been made on his behalf to the Company's retirement, 401(k), and supplemental retirement plans during the severance period. Immediately upon a change in control, the entire value of each executive's account under the supplemental retirement plan will be transferred to a trust established for this purpose. Continued contributions will be credited to the executive's account under the supplemental retirement plan as of the date of the executive's termination of employment. Payment is made from the trust in a lump sum or annual installments based on the executive's distribution election under the supplemental retirement plan.
- (6) In the event of a change of control, death or disability, vesting fully accelerates on the Company match portion of the deferred compensation plan. For participants who are retirement eligible (applicable to Mr. Berman as of December 31, 2011), the Company match is fully vested.
- (7) In the event of involuntary termination not for cause, the executive is provided continued participation in the medical, dental and life insurance benefits during the severance period.
- (8) Reflects the life insurance benefit payable for both Company-provided and employee-purchased coverage. All employees including the named executive officers are provided a Company-funded coverage of one times base salary.
- (9) In the event of disability, the executive would be eligible to receive disability income as long as they remained disabled until reaching age 65. The amount shown indicates the present value of potential future disability payments that would be received between December 31, 2011 and the executive reaching age 65, using a 4.00% discount rate.
- (10)

In the event of a change in control, named executive officers are eligible to receive a payment from the Company to put the executive in the same after-tax position as if no excise taxes under the Internal Revenue Code Section 280G had been imposed. This payment is made in a lump sum not later than the end of the year following the year in which the related taxes are remitted to the relevant taxing authority. The estimated hypothetical payments if a change in control were to occur as of December 31, 2011 for Messrs. Cracchiolo, Berman, Truscott, Salow, and Froude are \$14,913,873, \$5,749,076, \$0, \$0, and \$2,433,982 respectively.

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Certain Transactions

Related Person Transaction Review Policy

Our Audit Committee has adopted a written policy which provides procedures for the review, approval or ratification of certain transactions required to be reported under applicable rules of the Securities and Exchange Commission. Any amendments to the policy require Audit Committee approval.

Reportable transactions include those in which we are a participant and in which a related person has a direct or indirect interest. Related persons include: our directors, director nominees and executive officers; any person known by us to be the beneficial owner of more than five percent of our voting securities; and certain family members of, or certain other persons sharing the household of, any of our directors, director nominees or executive officers or holders of more than five percent of our voting securities.

Standards to be applied to the review of related person transactions include, but are not limited to, the following:

materiality of such transaction;

benefits of such transaction to us;

structure of such transaction;

the extent of the related person's interest, benefit or influence in such transaction;

whether the terms of such transaction are on an arm's length basis with terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances or otherwise can be determined as fair to us; and

whether means are available to manage any actual or apparent conflict of interest that may arise under such transaction following the time it is approved or entered into.

The Audit Committee of our Board of Directors, as well as the Audit Committee's chairman acting alone under delegated authority, have the responsibility to review, approve, disapprove or ratify related person transactions. Any Audit Committee member who is a related person under a transaction that is the subject of review is recused from voting upon any approval, disapproval or ratification of that transaction. Conditions operative to the transaction or to the relationship with the related person may be included in an approval or ratification.

Transactions with Other Companies

In the usual course of our business, we have transactions with many other firms. Some of the directors or officers of these firms may also serve as directors or officers for us or our subsidiaries. We carry out our transactions with these firms on customary terms. The directors and officers who serve us, our subsidiaries or the other firms involved may not have knowledge of these transactions.

In the usual course of our investment activities, we own or manage various debt securities of ConAgra Foods, Inc., including: \$4.5 million par amount of 5.875% debt securities due April 15, 2014; \$30.3 million par amount of 5.819% debt securities due June 15, 2017; \$99.9 million par amount of 7% debt securities due April 15, 2019; and \$26.1 million par amount of 7% debt securities due October 1, 2028. Director Robert F. Sharpe, Jr. retired from ConAgra Foods, Inc. during 2011, having most recently served as a senior advisor.

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Transactions between the Company and Our Directors and Officers

Our executive officers and directors may from time to time take out loans from certain of our subsidiaries on the same terms that these subsidiaries offer to the general public. By way of example, our broker-dealer subsidiary Ameriprise Financial Services, Inc. may extend margin loans (except margin loans to acquire the Company's stock) to our directors and executive officers under their brokerage accounts. All indebtedness from these transactions is in the ordinary course of our business and is on the same terms, including interest rates, in effect for comparable transactions with other people. Such indebtedness involves normal risks of collection and does not have features or terms that are unfavorable to our subsidiaries.

Our executive officers and directors may also have transactions with us or our subsidiaries involving other goods and services, such as insurance, brokerage and investment services. These transactions are also in the usual course of our business and we provide them on terms that we offer to our employees (with respect to executive officers) or to the public (with respect to our outside directors) generally.

Transactions with Significant Shareholders

From time to time we may engage in ordinary course relationships and commercial transactions with our significant shareholders or their subsidiaries. We do not believe that these transactions are material to our Company.

In the usual course of our business, we provide to BlackRock, Inc. or its affiliates (BlackRock) distribution services and marketing support in connection with the sale of BlackRock products to our clients. We received approximately \$5.7 million in marketing support payments from BlackRock in 2011.

In the usual course of our business, our affiliate, Threadneedle Pensions Ltd., manages pension accounts that provide a range of pooled funds in which clients can invest. The range of pooled funds offered to Threadneedle clients includes pooled funds provided by unaffiliated life insurance companies, which requires Threadneedle to enter into reinsurance arrangements with and pay fees to such unaffiliated companies. In 2011, Threadneedle paid approximately \$321,000 to BlackRock in connection with such reinsurance arrangements.

In the usual course of our asset management activities, we own or manage the following debt securities of our significant shareholders and their affiliates: \$900,000 par amount of 6.25% debt securities due September 15, 2017 issued by BlackRock, Inc.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers, and persons who own more than ten percent of a registered class of our equity securities to file with us, the Securities and Exchange Commission, and the New York Stock Exchange initial reports of ownership and reports of changes in ownership of any of the Company's equity securities. With respect to 2011, to the best of our knowledge, all required reports were filed on a timely basis. In making this statement, we have relied in part on the written representations of our current independent directors and our current executive officers, and on copies of the reports provided to us.

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Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Shareholders

Under the Securities and Exchange Commission rules, if a shareholder wants us to include a proposal in our proxy statement and form of proxy for the 2013 annual meeting of shareholders, our corporate secretary must receive the proposal at his office by 5:00 p.m. Central time on November 14, 2012.

Under our By-Laws, and as the Securities and Exchange Commission rules permit, shareholders must follow certain procedures to nominate a person for election as a director at an annual or special meeting, or to introduce an item of business at an annual meeting. Under these procedures, shareholders must submit the proposed nominee or item of business by delivering a written notice to the corporate secretary of the Company at our principal executive offices. We must receive notice as follows, no later than 5:00 p.m. Central Time on the date specified:

Normally we must receive notice of a shareholder's intention to introduce a nomination or proposed item of business for an annual meeting not less than 90 days or more than 120 days before the first anniversary of the prior year's meeting. Assuming that our 2012 annual meeting is held on schedule, we must receive notice pertaining to the 2013 annual meeting no earlier than December 26, 2012, and no later than January 25, 2013.

However, if we hold the annual meeting on a date that is not within 30 days before or 70 days after such anniversary date, we must receive the notice no more than 120 days before the annual meeting date and no later than the later of the 90th day prior to the annual meeting date or ten days after our first public announcement of the annual meeting date.

If we hold a special meeting to elect directors, we must receive a shareholder's notice of intention to introduce a nomination no earlier than the 120th day prior to the special meeting date and no later than the later of the 90th day prior to the special meeting date or ten days after our first public announcement of the special meeting date and the nominees proposed by the Board.

Our amended and restated By-Laws require a nominee to deliver signed forms of a questionnaire, representation, and agreement that our corporate secretary will provide upon request. A notice of a proposed item of business must include a description of and the reasons for bringing the proposed business to the annual meeting, any material interest of the shareholder in the business and certain other information about the shareholder.

The Board and our management have not received notice of, and are not aware of, any business to come before the meeting other than the items we refer to in this proxy statement. If any other matter comes before the meeting, the named proxies will use their best judgment in voting the proxies.

* * * *

We have made available on the Internet our 2011 Annual Report to Shareholders in connection with this proxy solicitation. **If you would like a copy of our 2011 Form 10-K, excluding certain exhibits, please contact Thomas R. Moore, Vice President, Corporate Secretary and Chief Governance Officer, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota 55474. We will provide a copy without charge.**

Please vote by telephone or online or sign, date and return your proxy or voting instruction form in the prepaid envelope you received if you requested paper copies of our proxy materials. We encourage you to attend the April 25, 2012, meeting. We will not require tickets for admission to the meeting. However, to assure that attendance is limited to shareholders, if you are not a registered shareholder please bring

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with you some proof of Ameriprise common stock ownership, such as a current brokerage statement, and a form of identification bearing a photograph. No cameras, cellular telephones, pagers, or other electronic or recording devices will be allowed to be used in the meeting room.

By order of the Board of Directors,

THOMAS R. MOORE

Vice President, Corporate Secretary and Chief Governance Officer

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Appendix

GAAP to Non-GAAP Reconciliations

Reconciliation of operating return on equity excluding consolidated investment entities ("CIEs") and accumulated other comprehensive income ("AOCI")

(\$ in millions)	Full Year 2011	Full Year 2010
Net income attributable to Ameriprise Financial, Inc.	\$ 1,076	\$ 1,097
Less: Loss from discontinued operations, net of tax	(60)	(24)
Net income from continuing operations attributable to Ameriprise Financial	1,136	1,121
Less: Adjustments(1)	(96)	(67)
Operating earnings	1,232	1,188
Total Ameriprise Financial, Inc. shareholders' equity	\$ 10,470	\$ 10,309
Less: Assets and liabilities held for sale	29	102
Less: Accumulated other comprehensive income, net of tax	603	540
Total Ameriprise Financial, Inc. shareholders' equity from continuing operations excluding AOCI	9,838	9,667
Less: Equity impacts attributable to the CIEs	478	455
Operating Equity	\$ 9,360	\$ 9,212
Return on equity from continuing operations, excluding AOCI	11.5%	11.6%
Operating return on equity excluding CIEs and AOCI(2)	13.2%	12.9%

(1) Adjustments reflect the trailing twelve months' sum of after-tax net realized gains/losses; market impact on variable annuity guaranteed living benefits, net of DAC and DSIC; and integration/restructuring charges.

(2) Operating return on equity excluding consolidated investment entities and accumulated other comprehensive income is calculated using the trailing twelve months of earnings excluding the after-tax net realized gains/losses; market impact on variable annuity guaranteed living benefits net of DAC and DSIC; integration/restructuring charges; and discontinued operations in the numerator, and Ameriprise Financial shareholders' equity excluding accumulated other comprehensive income; the impact of consolidating investment entities; and the assets and liabilities held for sale using a five-point average of quarter-end equity in the denominator.

Reconciliation of business mix percentage (excludes Corporate & Other segment)

(\$ in millions)	Full Year 2011	Full Year 2010
Advice & Wealth Management and Asset Management (low capital businesses)		
Pretax segment income	\$ 837	\$ 634
Add: Integration/restructuring charges	95	102
Less: Realized net gains (losses)	(2)	4
Pretax operating earnings	\$ 934	\$ 732
Annuities and Protection (high capital businesses)		
Pretax segment income	\$ 891	\$ 1,051
Add: Market impact on variable annuity guaranteed living benefits	59	25
Less: Realized net gains	4	10
Pretax operating earnings	\$ 946	\$ 1,066
Percent pretax operating earnings from low capital businesses	50%	41%
Percent pretax operating earnings from high capital businesses	50%	59%

