



**THRIVENT
FINANCIAL®**

Connecting faith & finances for good.™

Compensation Philosophy

Principal Officer Compensation

Our focus is on attracting and retaining people who are dedicated to our mission... not those who are solely motivated by money. Our compensation philosophy is clear. We are called to serve. And while compensated fairly, Thrivent principal officers, in general, make clear trade-offs between being paid at the top of their peer group and the rewards that come from providing leadership in a mission-driven, not-for-profit membership organization focused on building stronger Christian communities.

Our principal officers are paid fairly based on a review of compensation practices across the financial services industry. Our compensation programs are designed to attract, retain, motivate and reward employees who possess the knowledge and skills we need to conduct our business, and to align with the long-term interests of our members. In the interest of attracting and retaining the best talent, we use market-based competitive compensation practices to be sure our leaders, and contributors at all levels of our organization, are paid fairly.

Our members have a voice in our compensation practices and policies. The Human Resource Committee of the Board of Directors, consisting of Thrivent benefit members who have been elected by Thrivent's membership or duly appointed by the Board, regularly reviews the compensation programs and policies of the organization.

The goal of the HR Committee is to assure that Thrivent's compensation philosophy and talent management policies are aligned with Thrivent's corporate strategies, and drive business results. Consistent with that goal, the HR Committee determines and approves principal officer compensation after reviewing market and other relevant practices in addition to actual performance against pre-determined objectives. The HR Committee develops a target pay range for each principal officer by referring to the range of pay employees in similar positions receive at similar companies. In addition, each year, the HR Committee approves each principal officer's target pay for the year (the pay they would receive if the organization achieves its objectives). Finally, after the close of the year, the HR Committee exercises discretion in determining incentive payouts for all principal officers based on organizational performance.

Use of Peer Data

To determine a market-competitive target pay range for its principal officers, Thrivent uses customized market data based on a combination of peer groups of 11 mutual and 16 stock companies in the financial services industry and 11 not-for-profit organizations. The companies we consider include:

Mutuals	Stock Companies	Not-for-Profit Orgs
<ul style="list-style-type: none"> • American United Life • Guardian Life • Mass Mutual • Nationwide • New York Life • Northwestern Mutual • Pacific Life • Securian Financial • Thrivent Financial • TIAA-CREF • USAA 	<ul style="list-style-type: none"> • Aegon USA • AFLAC • AIG • Allstate • AXA Equitable • CIGNA • Genworth Financial • Hartford Financial Services • ING • John Hancock • Lincoln Financial • MetLife Phoenix Co • Principal Financial • Prudential Financial • Sun Life Financial • Unum Group 	<ul style="list-style-type: none"> • Knights of Columbus • Modern Woodmen of America • Woodmen of the World • President & Fellows of Harvard College • Yale University • Stanford University Board of Trustees • Bill & Melinda Gates Foundation • American National Red Cross • Mayo Clinic • Cleveland Clinic Foundation • Partners Healthcare System

Each year the HR Committee considers the target pay ranges and corporate goals to set the target level of compensation for each principal officer. The corporate goals are related to the long-term strategies of the business. Given the long-term nature of our business, some elements of compensation are determined over a period of several years. The HR Committee has complete discretion to determine the level of compensation a principal officer actually receives. The HR Committee retains an external compensation consulting firm to assist in these determinations.

Compensation Elements

While our base pay (Salary) is competitive with companies in our peer group, our total compensation levels (which include short and long-term incentive (bonus) awards) are generally conservative when compared to market data.

Short- and long-term incentive awards are part of variable compensation, which comprises 50 to 75 percent of principal officer's total compensation. Variable compensation is based on overall short (1 year) and long-term (3 year) performance measures and varies from year to year. This emphasis on both short- and long-term performance helps motivate and align leaders to operate in the best interest of the membership.

In addition, principal officers receive benefits such as health, dental, disability and life insurance as well as retirement benefits such as pension and 401(k) contributions.

Director Compensation

Thrivent Financial's compensation philosophy for members of our national Board of Directors follows our organization-wide pay philosophy; *Rewarding The Thrivent Way*. Compensation for directors is generally conservative when compared to market data. Thrivent uses the same customized market data to determine market-competitive pay for directors as it does for its principal officers (described above).

Distinct from Thrivent's principal officers, members of our Board of Directors pay does not include variable compensation, or differentiation for individual director performance or attributes, as directors are focused upon the long term interests of our members. Differentiation in director compensation comes only from differences in workload, for example, from chairing a board committee.

Requests for additional information may be sent to:

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