

CHENIERE ENERGY INC  
Form DEF 14A  
April 13, 2018  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

**Cheniere Energy, Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

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(3) Filing party:

(4) Date Filed:

Notes:

Reg. §240.14a-101.

SEC 1913 (3-99)

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**April 13, 2018**

To our Shareholders:

It is our pleasure to invite you to attend the Cheniere Energy, Inc. 2018 Annual Meeting of Shareholders. The meeting will be held at 9:00 a.m., Central Time on May 17, 2018 at our corporate headquarters located at 700 Milam Street, Suite 1900, Houston, Texas 77002.

The following Notice of Annual Meeting describes the business to be conducted at the 2018 Annual Meeting of Shareholders. We encourage you to review the materials and vote your shares.

You may vote via the Internet, by telephone, or by submitting your completed proxy card by mail. If you attend the 2018 Annual Meeting of Shareholders, you may vote your shares in person if you are a shareholder of record.

Thank you for your continued support as investors in Cheniere Energy, Inc.

Very Truly Yours,

**G. Andrea Botta**  
Chairman of the Board

**Jack A. Fusco**  
President and Chief Executive Officer

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CHENIERE ENERGY, INC.

700 Milam Street, Suite 1900

Houston, Texas 77002

(713) 375-5000

**Notice of Annual Meeting of Shareholders**

**Time and Date** 9:00 a.m., Central Time on May 17, 2018

**Place** Cheniere Energy, Inc.  
700 Milam Street, Suite 1900

Houston, TX 77002

**Items of Business** To elect eleven members of the Board of Directors to hold office for a one-year term expiring at the 2019 Annual Meeting of Shareholders.

To approve, on an advisory and non-binding basis, the compensation of the Company's named executive officers for 2017.

To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2018.

To transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

**Record Date** You can vote if you were a shareholder of record on April 2, 2018.

**Proxy Voting** It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning your proxy card by mail or by voting on the Internet or by telephone. See details under the heading *How do I vote?*

**Electronic Availability of Proxy Materials** We are making this Proxy Statement, including the Notice of Annual Meeting and 2017 Annual Report on Form 10-K for the year ended December 31, 2017, available on our

website at:

<http://www.cheniere.com/2018AnnualMeeting>

**By order of the Board of Directors**

**Sean N. Markowitz**

Corporate Secretary

April 13, 2018

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The following is an overview of information that you will find throughout this Proxy Statement, but does not contain all of the information that you should consider. For more complete information about these topics, please review the complete Proxy Statement prior to voting.

***Annual Meeting of Shareholders***

**Time and Date** 9:00 a.m., Central Time on May 17, 2018

**Place** Cheniere Energy, Inc.  
700 Milam Street, Suite 1900  
Houston, TX 77002

**Record Date** April 2, 2018

**Voting** Shareholders as of the close of business on the record date are entitled to vote.  
Each share of common stock is entitled to one vote for each matter to be voted upon.

**Admission** No admission card is required to enter the Cheniere Energy, Inc. ( Cheniere, the Company, we, us or our ) 2018 Annual Meeting of Shareholders (the Meeting ), but you will need proof of your stock ownership and valid government-issued picture identification. Please see General Information on page 1 of this Proxy Statement for more information.

***Voting Matters and Board Recommendations***

<b>Proposal</b>	<b>Board Vote Recommendation</b>	<b>Page Reference (for more details)</b>
1. Election of directors	FOR EACH NOMINEE	7
2. Advisory and non-binding vote on the compensation of the Company's named executive officers for 2017	FOR	58
3. Ratification of appointment of KPMG LLP as the Company's independent registered public accounting firm for 2018	FOR	60

2017 Performance and Strategic Accomplishments

The following items highlight our 2017 and recent accomplishments. For more information about these accomplishments and their relationship to our executive compensation program, please see Compensation Discussion and Analysis on page 29 of this Proxy Statement.

***Financial***

For full year 2017, we achieved Consolidated Adjusted EBITDA of \$1.8 billion. For a definition of Consolidated Adjusted EBITDA and a reconciliation of this non-GAAP measure to net income, the most directly comparable GAAP financial measure, please see Appendix C.

In June 2017, the date of first commercial delivery ( DFCD ) was reached under the 20-year Sale and Purchase Agreement ( SPA ) with Korea Gas Corporation relating to Train 3 of the natural gas liquefaction facilities at the Sabine Pass LNG terminal in Louisiana (the SPL Project ).

In August 2017, the DFCD relating to Train 2 of the SPL Project was reached under the respective 20-year SPAs with Gas Natural Fenosa LNG GOM, Limited and BG Gulf Coast LNG, LLC.

Subsequent to 2017, the DFCD relating to Train 4 of the SPL Project was reached under the 20-year SPA with GAIL (India) Limited in March 2018.

***Operations***

We achieved substantial completion of Train 3 and Train 4 of the SPL Project in March 2017 and October 2017, respectively.

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In 2017, over 200 liquefied natural gas ( LNG ) cargoes were produced, loaded and exported from the SPL Project, with deliveries completed to 25 countries and regions worldwide.

### ***Strategic/Commercial***

In December 2017, we entered into an amended and restated engineering, procurement and construction contract with Bechtel Oil, Gas and Chemicals, Inc. for Train 3 of the natural gas liquefaction and export facility at the Corpus Christi LNG terminal (the CCL Project ). We also issued limited notice to proceed to Bechtel, and procurement and early site work has commenced.

In 2017, we made significant progress on potential long-term contracting of LNG, ultimately leading to SPAs signed in 2018:

In January 2018, we entered into a 15-year SPA with Trafigura Pte Ltd for the sale of approximately 1.0 metric tonnes per annum ( mtpa ) of LNG beginning in 2019.

In February 2018, we entered into two SPAs with PetroChina International Company Limited, a subsidiary of China National Petroleum Corporation, for the sale of approximately 1.2 mtpa of LNG through 2043, with a portion of the supply beginning in 2018 and the balance beginning in 2023.

### **Corporate Governance**

We are committed to the values of effective corporate governance and high ethical standards. Our Board of Directors (the Board ) believes that these values are conducive to strong performance and creating long-term shareholder value. Our governance framework gives our highly experienced directors the structure necessary to provide oversight, advice and counsel to Cheniere.

Since December 2015, we have taken the following governance actions:

engaged with more than 50% of our shareholders each year regarding governance matters;

amended our bylaws to provide for proxy access, which gives eligible shareholders the ability to nominate up to 20% of the number of directors serving on our Board;

further amended the proxy access bylaw to expand the definition of Eligible Holder , clarify the timing required for a shareholder to propose a director nominee and eliminate a provision that allowed the Company to omit a director nominee under certain circumstances;

added additional details regarding the experience of our directors to our proxy statements;

split the Chairman of the Board and CEO roles;

appointed Jack A. Fusco to serve as President and CEO and as a member of the Board;

implemented a prohibition on pledging company securities;

increased our director ownership guidelines; and

adopted non-employee director compensation limits.

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The Governance Information section of this Proxy Statement, beginning on page 14, describes our corporate governance structure, which includes the following:

**Board and Governance Information**

Size of Board as of April 13, 2018	11	Independent Directors Meet Regularly Without Management Present	Yes
Number of Independent Directors as of April 13, 2018	9	Annual Board and Committee Evaluations	Yes
Average Age of Director Nominees (as of May 17, 2018)	57	Succession Planning and Implementation Process	Yes
Board Meetings Held in 2017 (100% attendance at Board and committee meetings)	9	Codes of Conduct for Directors, Officers and Employees	Yes
Annual Election of Directors	Yes	Board Risk Oversight	Yes
Mandatory Director Retirement Age	75	Prohibition on Pledging Company Securities	Yes
Board Diversity	Yes	Prohibition on Hedging and Short Sales or Sales Against the Box	Yes
Majority Voting in Director Elections	Yes	Executive Compensation Pay for Performance Metrics	Yes
Non-Executive Chairman of the Board / Lead Independent Director	Yes	Annual Advisory Say-on-Pay Vote	Yes
Separate Chairman of the Board and CEO	Yes	Proxy Access	Yes

Stock Ownership Guidelines for Directors and Executive Officers	Yes	Shareholder Rights Plan (Poison Pill)	No
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## Our Director Nominees

You are being asked to vote on the election of the 11 director nominees listed below. Each director is elected annually by a majority of the votes cast. Detailed information about each nominee, including background, skills and expertise, can be found in Proposal 1 Election of Directors beginning on page 7.

Name	Age	Director Since	Principal Occupation
	(as of May 17, 2018)		
<b>G. Andrea Botta</b>	64	2010	Chairman of the Board, Cheniere Energy, Inc.; President, Glenco LLC
<b>Jack A. Fusco</b>	55	2016	President and Chief Executive Officer, Cheniere Energy, Inc.
<b>Vicky A. Bailey</b>	66	2006	President, Anderson Stratton International, LLC
<b>Nuno Brandolini</b>	64	2000	Former General Partner, Scorpion Capital Partners, L.P.
<b>David I. Foley</b>	50	2012	Senior Managing Director, The Blackstone Group L.P.; Chief Executive Officer, Blackstone Energy Partners L.P.
<b>David B. Kilpatrick</b>	68	2003	President, Kilpatrick Energy Group
<b>Andrew Langham</b>	45	2017	General Counsel, Icahn Enterprises L.P.
<b>Courtney R. Mather</b>	41	Nominated in April 2018	Portfolio Manager of Icahn Capital

<b>Donald F. Robillard, Jr.</b>	66	2014	Former Executive Vice President, Chief Financial Officer and Chief Risk Officer of Hunt Consolidated, Inc. and Former Chief Executive Officer and Chairman, ES Xplore, LLC
<b>Neal A. Shear</b>	63	2014	Senior Advisor and Chair of the Advisory Committee of Onyxpoint Global Management LP
<b>Heather R. Zichal</b>	42	2014	Managing Director of Corporate Engagement at The Nature Conservancy

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Each director nominee attended or participated in at least 75% of the aggregate number of all meetings of the Board and of each committee on which he or she sits for which the director was eligible to attend in 2017. Courtney R. Mather is not currently a member of the Board and was not a member of the Board in 2017.

**Executive Compensation Highlights**

In late 2016 and early 2017, our new leadership team considered input from our shareholders regarding executive compensation. As a result, we implemented several fundamental changes to our executive compensation program:

Implemented a more consistent, competitive and conventional total compensation philosophy in 2017

Adopted an objective performance scorecard for our annual cash bonus program ( the Annual Incentive Program ) beginning with 2017 awards

Adopted a Long-Term Incentive program (the LTI program ) providing for consistent, competitive and conventional annual long-term incentive opportunities that reward long-term value creation and align the interests of management with those of our shareholders

Terminated the Cheniere Energy, Inc. 2014-2018 Long-Term Cash Incentive Program

Terminated the Cheniere Energy, Inc. 2008 Change of Control Cash Payment Plan and individual Change of Control Agreements; replaced with new, market-competitive arrangements

Amended and restated the Cheniere Energy, Inc. 2011 Incentive Plan to incorporate several features designed to protect shareholder interests and promote current best practices

**Compensation Governance Practices**

Clear, direct link between pay and performance

Majority of incentive awards earned based on performance

No hedging or short sales of Company stock

No pledging of Company stock as collateral for a loan or holding Company stock in margin accounts

Robust stock ownership guidelines

No defined benefit retirement plan or supplemental executive retirement plan

Robust compensation risk management program

Non-employee director compensation limits

Minimum vesting schedule of at least 12 months, subject to limited exceptions

**Philosophy and Objectives**

The Board and the Compensation Committee are committed to a pay-for-performance compensation structure that aligns our executive compensation with the key drivers of long-term growth and creation of shareholder value, including:

Annual and long-term incentive awards are primarily performance-based

Annual incentive awards earned are based on achievement of specific financial, operating, construction, safety and strategic goals

A significant portion of long-term incentive awards earned is based on financial performance and growth metrics

Equity-based compensation delivers annual, market-competitive opportunities within common norms of shareholder dilution and value creation

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**Table of Contents****Executive Compensation Components**

The primary components of our executive compensation program, as applied to our 2017 Named Executive Officers, are as follows:

<b>Type</b>	<b>Purpose</b>	<b>Page</b>
Base Salary	Provide a minimum, fixed level of cash compensation to compensate executives for services rendered during the fiscal year.	36
Annual Incentive Program	Drive achievement of annual corporate goals including key financial, operating, construction, safety and strategic goals that create value for shareholders.	37
LTI Program	Align executive officers' interests with the interests of shareholders by rewarding sustained financial performance and growth through a multi-year performance period.	39
Post-Employment Compensation	Assist executive officers and other eligible employees to prepare financially for retirement, to offer benefits that are competitive and tax-efficient and to provide a benefits structure that allows for reasonable certainty of future costs. Help retain executive officers and certain other qualified employees, maintain a stable work environment and provide financial security in the event of a change-in-control or in the event of an involuntary termination of employment.	42-45
Corporate Governance Highlight	Proxy Access	

Our Board approved a proxy access bylaw amendment on December 9, 2015, which provided for a shareholder (or group of up to 20 shareholders) holding 3% or more of the common stock of the Company for a period of 3 years to nominate up to 20% of the number of directors serving on our Board. Any such nominees will be included with the Board's nominees in our proxy materials.

In September 2016, the Board amended the Company's proxy access bylaw to (i) expand the definition of Eligible Holder to specifically allow groups of funds under common management and funded primarily by the same employer to be treated as one Eligible Holder, (ii) clarify the timing required for a shareholder to propose a director nominee and (iii) eliminate the provision that allowed the Company to omit from its Proxy Statement a director nominee who receives a vote of less than 25% of the shares of common stock entitled to vote for such nominee at one of the two

preceding annual meetings.

Ratification of KPMG as Auditor for 2018

As a matter of good corporate governance, we are asking our shareholders to ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for 2018. The following table sets forth the fees billed to us by KPMG for professional services for 2017 and 2016.

	<b>2017</b>	<b>2016</b>
Audit Fees	\$ 6,954,381	\$ 6,299,746
Audit Related Fees	\$	\$
Tax Fees	\$ 88,565	\$ 47,473
All Other Fees	\$ 80,570	\$ 2,550
Total	\$ 7,123,516	\$ 6,349,769

See Report of the Audit Committee on page 59 and the information provided in Proposal 3, beginning on page 60, for more details.

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CHENIERE ENERGY, INC.

700 Milam Street, Suite 1900

Houston, Texas 77002

(713) 375-5000

PROXY STATEMENT

General Information

Why did I receive these proxy materials?

We are providing these proxy materials in connection with the solicitation by the Board of Directors (the **Board**) of Cheniere Energy, Inc. (Cheniere, the **Company**, **we**, **us** or **our**), a Delaware corporation, of proxies to be voted at the 2018 Annual Meeting of Shareholders (the **Meeting**) and any adjournment or postponement thereof.

You are invited to attend the Meeting on May 17, 2018, beginning at 9:00 a.m., Central Time. The Meeting will be held at the Company's headquarters at 700 Milam Street, Suite 1900, Houston, Texas 77002.

This Notice of Annual Meeting ( **Notice** ), Proxy Statement, proxy card and 2017 Annual Report on Form 10-K for the year ended December 31, 2017, are being mailed to shareholders on or about April 13, 2018.

Do I need a ticket to attend the Meeting?

You will need proof of your ownership of Cheniere common stock and valid government-issued picture identification to enter the Meeting.

If your shares are held beneficially in the name of a bank, broker or other holder of record and you plan to attend the Meeting, you must present proof of your ownership of Cheniere common stock as of April 2, 2018 (the **Record Date** ), such as a bank or brokerage account statement, to be admitted to the Meeting.

If you have any questions about attending the Meeting, you may contact Investor Relations at Investors@cheniere.com or 713-375-5000.

*No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted at the Meeting.*

Who is entitled to vote at the Meeting?

Holders of Cheniere common stock at the close of business on the Record Date are entitled to receive this Notice and to vote their shares at the Meeting. As of the Record Date, there were 237,839,985 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the Meeting.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If your shares are registered directly in your name with Cheniere's transfer agent, Computershare Trust Company, N.A., you are considered the shareholder of record of those shares. The Notice, Proxy Statement, proxy card and 2017 Annual Report on Form 10-K for the year ended December 31, 2017, have been sent directly to you by Cheniere. If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of such shares held in street name. The Notice, Proxy Statement, proxy card and 2017 Annual Report on Form 10-K for the year ended December 31, 2017, have been forwarded to you by your broker, bank or other holder of record, who is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or on the Internet.

**Cheniere Energy, Inc.** [Notice of Annual Meeting of Shareholders and 2018 Proxy Statement](#) 1

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How do I vote?

You may vote using any of the following methods:

***By mail***

You may submit your proxy vote by mail by signing a proxy card if your shares are registered or, for shares held beneficially in street name, by following the voting instructions included by your broker, trustee or nominee, and mailing it in the enclosed envelope. If you provide specific voting instructions, your shares will be voted as you have instructed. If you do not indicate your voting preferences, your shares will be voted as recommended by the Board; provided, however, if you are a beneficial owner, your bank, broker or other holder of record is not permitted to vote your shares on the following proposals if your bank, broker or other holder of record does not receive specific voting instructions from you: Proposal 1 to elect directors and Proposal 2 to approve, on an advisory and non-binding basis, the compensation of the Company's named executive officers for 2017.

***By telephone or on the Internet***

If you have telephone or Internet access, you may submit your proxy vote by following the instructions provided on your proxy card or voting instruction form. If you are a beneficial owner, the availability of telephone and Internet voting will depend on the voting processes of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive.

***In person at the Meeting***

If you are the shareholder of record, you have the right to vote in person at the Meeting. If you are the beneficial owner, you are also invited to attend the Meeting. Since a beneficial owner is not the shareholder of record, you may not vote these shares in person at the Meeting unless you obtain a legal proxy from your broker, bank or other holder of record that holds your shares, giving you the right to vote the shares at the Meeting. You will need proof of your ownership of Cheniere common stock and valid government-issued picture identification to enter the Meeting. See [Do I need a ticket to attend the Meeting?](#) above for more information on the requirements to enter the Meeting.

Can I revoke my proxy?

If you are a shareholder of record, you can revoke your proxy before it is exercised by:

written notice to the Corporate Secretary of the Company;

timely delivery of a valid, later-dated proxy; or

voting by ballot at the Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other holder of record. You may also vote in person at the Meeting if you obtain a legal proxy as described in the answer to the preceding question.

Who will receive a proxy card?

If you are a shareholder of record, you will receive a proxy card for the shares you hold in certificate form or in book-entry form. If you are a beneficial owner, you will receive voting instructions from your bank, broker or other holder of record.

Is there a list of shareholders entitled to vote at the Meeting?

The names of shareholders of record entitled to vote at the Meeting will be available at the Meeting and for ten days prior to the Meeting for any purpose germane to the Meeting. The list will be available between the hours of 8:30 a.m. and 4:30 p.m., Central Time, at our offices at 700 Milam Street, Suite 1900, Houston, Texas 77002, by contacting the Corporate Secretary of the Company.

## 2 **Cheniere Energy, Inc.** [Notice of Annual Meeting of Shareholders and 2018 Proxy Statement](#)

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What are the voting requirements to elect the directors and to approve each of the proposals discussed in this Proxy Statement?

The presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of common stock entitled to vote at the Meeting is necessary to constitute a quorum. In the absence of a quorum at the Meeting, the Meeting may be adjourned from time to time without notice, other than an announcement at the Meeting, until a quorum is present. Abstentions and broker non-votes represented by submitted proxies will be included in the calculation of the number of the shares present at the Meeting for purposes of determining a quorum. Broker non-votes occur when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

Proposal 1 Directors are elected by a majority of the votes cast with respect to such director nominee at the Meeting, meaning that the number of votes cast for a director must exceed the number of votes cast against that director. If you are a beneficial owner, your bank, broker or other holder of record may not vote your shares with respect to Proposal 1 without specific instructions from you as to how to vote with respect to the election of each of the eleven nominees for director. Abstentions and broker non-votes represented by submitted proxies will not be considered votes cast and therefore will not be taken into account in determining the outcome of the election of directors.

Proposal 2 To be approved, Proposal 2 regarding the compensation of the Company's named executive officers for fiscal year 2017 must receive the affirmative vote of the holders of a majority in voting power of the shares entitled to vote on the matter, present in person or by proxy at the Meeting. Because your vote is advisory, it will not be binding on the Board or the Company. If you are a beneficial owner, your bank, broker or other holder of record may not vote your shares with respect to Proposal 2 without specific instructions from you. Abstentions will be counted against Proposal 2. Broker non-votes will not count as shares entitled to vote on the matter.

Proposal 3 To be approved, Proposal 3 to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2018 must receive the affirmative vote of the holders of a majority in voting power of the shares entitled to vote on the matter, present in person or by proxy at the Meeting. If you are a beneficial owner, your bank, broker or other holder of record has the authority to vote your shares on Proposal 3 if you have not furnished voting instructions within a specified period of time prior to the Meeting. Abstentions will be counted against Proposal 3.

What if a director nominee does not receive a majority of votes cast?

Our Amended and Restated Bylaws, as amended ( Bylaws ) require directors to be elected by the majority of the votes cast with respect to such director (i.e., the number of votes cast for a director must exceed the number of votes cast against that director). If a nominee who is serving as a director is not elected at the Meeting and no one else is elected in place of that director, then, under Delaware law, the director would continue to serve on the Board as a holdover director. However, under our Bylaws, the holdover director is required to tender his or her resignation to the Board.

The Governance and Nominating Committee of the Board then would consider the resignation and recommend to the Board whether to accept or reject the tendered resignation, or whether some other action should be taken. The Board would then make a decision whether to accept the resignation, taking into account the recommendation of the Governance and Nominating Committee. The director who tenders his or her resignation will not participate in the Governance and Nominating Committee's or the Board's decision. The Board is required to disclose publicly (by a press release and a filing with the Securities and Exchange Commission ( SEC )) its decision regarding the tendered resignation and, if the tendered resignation is rejected, the rationale behind the decision within 90 days from the date of the certification of the election results. If a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy.

Could other matters be decided at the Meeting?

As of the date of this Proxy Statement, we do not know of any matters to be raised at the Meeting other than those referred to in this Proxy Statement. If other matters are properly presented for consideration at the Meeting, the persons named in your proxy card will have the discretion to vote on those matters for you.

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Who will pay for the cost of this proxy solicitation?

We will pay for the cost of soliciting proxies. Proxies may be solicited on our behalf by directors, officers or employees in person or by telephone, electronic transmission and facsimile transmission. We have hired D. F. King & Co., Inc., 48 Wall Street, 22<sup>nd</sup> Floor, New York, NY 10005, to solicit proxies. We will pay D.F. King a fee of \$15,000 plus expenses for these services.

Who will count the vote?

Broadridge Financial Solutions, Inc., an independent third party, will tabulate the votes.

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual Meeting to be held on May 17, 2018

The Proxy Statement, including the Notice and 2017 Annual Report on Form 10-K for the year ended December 31, 2017, are available on our website at <http://www.cheniere.com/2018AnnualMeeting>. Please note that the Notice is not a form for voting and presents only an overview of the more complete proxy materials, which contain important information and are available on the Internet or by mail. We encourage our shareholders to access and review the proxy materials before voting.

**NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Proxy Statement contains forward-looking statements relating to, among other things, business strategy, performance and expectations for project development. The reader is cautioned not to place undue reliance on these statements and should review the sections captioned **Cautionary Statement Regarding Forward-Looking Statements** and **Risk Factors** in our Annual Report on Form 10-K for important information about these statements, including the risks, uncertainties and other factors that could cause actual results to vary materially from the assumptions, expectations and projections expressed in any forward-looking statements. These forward-looking statements speak only as of the date made, and, other than as required by law, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or developments or otherwise.

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Corporate Governance at a Glance

**Board Independence**            9 out of 11 of our current directors and director nominees are independent.

Our President and CEO is the only management director.

**Board Composition**            The Board consists of 11 directors.

The Board regularly assesses its performance through Board and committee self-evaluations.

The Board values diversity and experience in assessing its composition.

**Board Committees**            We have three standing Board committees – Audit, Governance and Nominating and Compensation.

All of our Board committees are comprised of and chaired solely by independent directors.

**Leadership Structure**            Our Chairman of the Board and CEO roles were split in December 2015.

Our independent Non-Executive Chairman of the Board provides leadership to the Board and ensures that the Board operates independently of management.

**Risk Oversight**

The Board has oversight responsibility for assessing the primary risks (including liquidity, credit, operations and regulatory compliance) facing the Company, the relative magnitude of these risks and management's plan for mitigating these risks. In addition to the Board's oversight responsibility, the committees of the Board review the risks that are within their areas of responsibility.

**Open Communication**

We encourage open communication and strong working relationships among the Non-Executive Chairman of the Board and other directors.

Our directors have access to management and employees.

**Director and  
Executive Stock  
Ownership**

We have had rigorous stock ownership guidelines for our directors and executive officers since 2008 and amended our stock ownership guidelines for our directors in February 2017 to make them more rigorous.

**Director  
Compensation Limit**

We have capped the annual ordinary course equity award that may be granted to a non-employee director at \$495,000 per calendar year.

**Accountability to  
Shareholders**

Directors are elected by a majority of the votes cast with respect to such director.

The Board maintains a process for shareholders to communicate with the Board.

**Management  
Succession Planning**

The Governance and Nominating Committee has oversight of succession planning, both planned and emergency.

Shareholder Outreach Governance

The Company has been involved in extensive discussions with shareholders during the past several years regarding governance matters, and the evolution of our governance framework is a product of the Board's responsiveness to shareholder input.

Ahead of our 2017 Annual Meeting of Shareholders (the 2017 Annual Meeting), members of our Board and management reached out to, and had extensive dialogue with, shareholders representing more than 50% of our outstanding common stock, through both in-person and telephonic meetings. Following our 2017 Annual Meeting, we engaged with shareholders holding more than 50% of our outstanding common stock, and we intend to continue our shareholder outreach efforts going forward and to consider any shareholder concerns that are raised with respect to our governance framework.

The Board believes that its current system of corporate governance oversight enables the directors to be prudent stewards of shareholder capital and the long-term interests of the Company and our shareholders. In addition, the Board is responsive to changes in the general corporate governance environment.

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***Key Themes from Our Shareholder Outreach***

Many of our shareholders have different methodologies and processes for evaluating governance programs. However, a number of common themes emerged during our discussions with shareholders, which included:

**Additional disclosure regarding the experience and expertise of our directors.** Several of our shareholders have expressed a desire for increased disclosure regarding the core competencies of our Board, especially now that we have begun operations. We have included tabular disclosure regarding the qualifications of our directors on page 8 of this Proxy Statement. Our Governance and Nominating Committee continues to review the qualifications of the members of the Board for the right experience and expertise.

**Continued monitoring and implementation of best governance practices.** Several of our shareholders have expressed a desire that our Board continue to monitor changes in the general corporate governance environment and consider any appropriate changes to our governance practices. Our Board is responsive to changes in the general corporate governance environment and strives to implement best governance practices in a timely manner.

***Actions Taken as a Result of Our Shareholder Outreach since the 2016 Annual Meeting***

The Governance and Nominating Committee and the Board review and consider our shareholders' feedback as part of their ongoing review and adoption of changes to our governance structure. The Board has taken the following actions in recent years in response to our shareholders' feedback:

<b>Action Taken</b>	<b>Description</b>
<b>Provided Detail regarding Director Experience and Expertise</b>	We have included detail regarding our directors' core competencies on page 8 of this Proxy Statement.
<b>Further Amended our Proxy Access Bylaw</b>	In September 2016, the Board amended the Company's proxy access bylaw to (i) expand the definition of Eligible Holder to specifically allow groups of funds under common management and funded primarily by the same employer to be treated as one Eligible Holder, (ii) clarify the timing required for a shareholder to propose a director nominee and (iii) eliminate the provision that allowed the Company to omit from its Proxy Statement a director nominee who receives a vote of less than 25% of the shares of common stock entitled to vote for such nominee at one of the two preceding annual meetings.

**Continued  
Implementation of  
Best Governance  
Practices**

In September 2016, the Board implemented a prohibition on pledging company securities.

In February 2017, the Board increased its director stock ownership guidelines.

In February 2017, the Board adopted non-employee director compensation limits.

See pages 32-33 of this Proxy Statement for a discussion regarding actions taken by our Board with respect to compensation matters as a result of shareholder outreach.

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Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS**

## Directors and Nominees

This year, there are eleven nominees standing for election as directors at the Meeting. Below is a summary of our director nominees, including their committee memberships as of April 13, 2018. The Board, with assistance from the Governance and Nominating Committee, will evaluate and reassign committee memberships as needed following the Meeting and election of the director nominees. Detailed information about each director's background, skills and expertise is provided below.

Name	Age (as of May 17, 2018)	Nominee Committee Memberships				
		Director Since	Independent	Audit	Governance and Nominating	Compensation
<b>G. Andrea Botta</b> Chairman of the Board, Cheniere Energy, Inc. President, Glenco LLC	64	2010	YES			
<b>Jack A. Fusco</b> President and Chief Executive Officer, Cheniere Energy, Inc.	55	2016	NO			
<b>Vicky A. Bailey</b> President, Anderson Stratton International, LLC	66	2006	YES		Chair	
<b>Nuno Brandolini</b> Former General Partner, Scorpion Capital Partners, L.P.	64	2000	YES			Chair
<b>David I. Foley</b>	50	2012	NO			

Senior Managing Director,  
The Blackstone Group L.P.  
Chief Executive Officer,  
Blackstone Energy Partners  
L.P.

**David B. Kilpatrick**

President, 68 2003 YES

Kilpatrick Energy Group

**Andrew Langham**

General Counsel, 45 2017 YES

Icahn Enterprises L.P.

**Courtney R. Mather**

Portfolio Manager of Icahn  
Capital 41 Nominated in  
April 2018 YES

**Donald F. Robillard, Jr.**

Former Executive Vice  
President,

Chief Financial Officer and  
Chief Risk Officer of Hunt  
Consolidated, Inc. and  
Former Chief Executive  
Officer and Chairman, ES  
Xplore, LLC 66 2014 YES Chair;  
F

**Neal A. Shear**

Senior Advisor and Chair  
of the Advisory Committee  
of Onyxpoint Global  
Management LP 63 2014 YES

**Heather R. Zichal**

Managing Director of  
Corporate Engagement at  
The Nature Conservancy 42 2014 YES  
F Audit Committee Financial Expert

The Board has determined that Mr. Mather is an audit committee financial expert.

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**Summary of Director Core Competencies**

The following chart summarizes the core competencies of our director nominees.

*Mandatory Retirement at Age 75*

There are eleven nominees standing for election as directors at the Meeting. Each nominee, if elected, will hold office for a one-year term expiring at the 2019 Annual Meeting of Shareholders and will serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. Each of the director nominees has consented to serve as a director if elected or re-elected.

*3 New Directors Since 2016*

Each of the director nominees, other than Mr. Mather, currently serves on the Board. Mr. Langham was appointed to the Board on August 14, 2017 in accordance with the terms of the Nomination and Standstill Agreement entered into on August 21, 2015 among the Company, Icahn Capital LP and certain affiliates of Icahn Capital LP (the Standstill Agreement). Mr. Mather has been nominated to replace current director John J. Lipinski and was brought to the attention of our Governance and Nominating Committee in accordance with the terms of the Standstill Agreement. Mr. Lipinski will not stand for re-election.

Directors are elected by a majority of votes cast with respect to such director nominee. Unless your proxy specifies otherwise, it is intended that the shares represented by your proxy will be voted for the election of these eleven nominees. If you are a beneficial owner, your bank, broker or other holder of record is not permitted to vote your shares on Proposal 1 to elect directors if the bank, broker or other holder of record does not receive specific voting instructions from you. Proxies cannot be voted for a greater number of persons than the number of nominees named. The Board is unaware of any circumstances likely to render any nominee unavailable.

**The Board recommends a vote **FOR** the election of the eleven nominees as directors of the Company to hold office for a one-year term expiring at the 2019 Annual Meeting of Shareholders or until their successors are duly elected and qualified.**

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Director Nominations and Qualifications

*Director Nomination Policy and Procedures.* Our Director Nomination Policy and Procedures is attached to the Governance and Nominating Committee's written charter as Exhibit A, which is available on our website at [www.cheniere.com](http://www.cheniere.com). The Governance and Nominating Committee considers suggestions for potential director nominees to the Board from any source, including current members of the Board and our management, advisors and shareholders. The Governance and Nominating Committee evaluates potential nominees by reviewing their qualifications and any other information deemed relevant. Director nominees are recommended to the Board by the Governance and Nominating Committee.

The full Board will select and recommend candidates for nomination as directors for shareholders to consider and vote upon at the annual shareholders' meeting. The Governance and Nominating Committee reviews and considers any candidates submitted by a shareholder or shareholder group in the same manner as all other candidates.

Qualifications for consideration as a director nominee vary according to the particular areas of expertise being sought as a complement to the existing Board composition. However, minimum criteria for selection of members to serve on our Board include the following:

highest ethical standards and integrity;

high level of education and/or business experience;

broad-based business acumen;

understanding of the Company's business and industry;

strategic thinking and willingness to share ideas;

loyalty and commitment to driving the success of the Company;

network of business and industry contacts; and

diversity of experiences, expertise and backgrounds among members of the Board.

*Practices for Considering Diversity.* The minimum criteria for selection of members to serve on our Board are designed to ensure that the Governance and Nominating Committee selects director nominees taking into consideration that the Board will benefit from having directors that represent a diversity of experience and backgrounds. Director nominees are selected so that the Board represents a diversity of experience in areas needed to

foster the Company's business success, including experience in the energy industry, finance, consulting, international affairs, public service, governance and regulatory compliance. Each year the Board and each committee participates in a self-assessment or evaluation of the effectiveness of the Board and its committees. These evaluations assess the diversity of talents, expertise and occupational and personal backgrounds of the Board members.

*Shareholder Nominations for Director.* A shareholder of the Company may nominate a candidate or candidates for election to the Board if such shareholder (1) was a shareholder of record at the time the notice provided for below is delivered to the Corporate Secretary, (2) is entitled to vote at the meeting of shareholders called for the election of directors and is entitled to vote upon such election and (3) complies with the notice procedures set forth in our Bylaws. Nominations made by a shareholder must be made by giving timely notice in writing to the Corporate Secretary of the Company at the following address: Corporate Secretary, Cheniere Energy, Inc., 700 Milam Street, Suite 1900, Houston, Texas 77002. To be timely, a shareholder's notice must be delivered not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting. However, if (and only if) the date of the annual meeting is more than 30 days before or more than 70 days after such anniversary date, notice by the shareholder must be delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Company. In no event will the public announcement of an adjournment or postponement of an annual meeting of shareholders commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above. A shareholder's notice must include information about the shareholder and the nominee, as required by our Bylaws, which are available on our website at [www.cheniere.com](http://www.cheniere.com).

*Director Nominations for Inclusion in Proxy Statement (Proxy Access).* A shareholder, or group of up to 20 shareholders, owning at least 3% of the Company's common stock for at least the prior three consecutive years (and meeting the other requirements set forth in our Bylaws) may nominate for election to our Board and inclusion in our proxy statement for our annual meeting of shareholders up to 20% of the number of directors serving on our Board. Notice must include all information formally stated in our Bylaws, which is available on our website at [www.cheniere.com](http://www.cheniere.com). In addition to complying with the other requirements set forth in our Bylaws, an eligible shareholder must provide timely notice in writing to the Corporate Secretary of the Company at the following address: Corporate Secretary, Cheniere Energy, Inc., 700 Milam Street, Suite 1900, Houston, Texas 77002. To be timely for

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purposes of proxy access, a shareholder's notice must be delivered not later than the close of business on the 120th day, nor earlier than the close of business on the 150th day, prior to the first anniversary of the date that the Company first mailed its proxy statement to shareholders for the prior year's annual meeting of shareholders. However, if (and only if) the annual meeting is not scheduled to be held within a period that commences 30 days before such anniversary date and ends 30 days after such anniversary date (an annual meeting date outside such period being referred to herein as an "Other Meeting Date"), notice must be given in the manner provided in our Bylaws by the later of the close of business on the date that is 180 days prior to such Other Meeting Date and the tenth day following the date on which public announcement of such Other Meeting Date is first made.

*Director Qualifications.* The Board has concluded that, in light of our business and structure, each of our director nominees possesses relevant experience, qualifications, attributes and skills and should continue to serve on our Board as of the date of this Proxy Statement. The primary qualifications of our directors are further discussed under "Director Biographies" below.

*Director Retirement Policy.* The Board has adopted a mandatory director retirement policy that requires each director who has attained the age of 75 to retire from the Board at the annual meeting of shareholders of the Company held in the year in which his or her current term expires, unless the Board determines such mandate for a particular director is not at the time in the best interests of the Company. The Board believes this policy will ensure a healthy rotation of directors, which will promote the continued influx of new ideas and perspectives to the Board.

#### Director Biographies

**Jack A. Fusco** is a director and the President and Chief Executive Officer of Cheniere. Mr. Fusco has served as President and Chief Executive Officer since May 2016 and as a director since June 2016. In addition, Mr. Fusco serves as Chairman, President and Chief Executive Officer of Cheniere Energy Partners GP, LLC, a wholly-owned subsidiary of Cheniere and the general partner of Cheniere Energy Partners, L.P., a publicly-traded limited partnership that is operating the Sabine Pass LNG terminal. Mr. Fusco also serves as Chairman, President and Chief Executive Officer of Cheniere Energy Partners LP Holdings, LLC, a publicly-traded subsidiary of Cheniere. Mr. Fusco is also a Manager, President and Chief Executive Officer of the general partner of Sabine Pass LNG, L.P. and Chief Executive Officer of Sabine Pass Liquefaction, LLC. Mr. Fusco received recognition as Best CEO in the electric industry by Institutional Investor in 2012 as ranked by all industry analysts and for Best Investor Relations by a CEO or Chairman among all mid-cap companies by IR Magazine in 2013.

Mr. Fusco served as Chief Executive Officer of Calpine Corporation ("Calpine") from August 2008 to May 2014 and as Executive Chairman of Calpine from May 2014 through May 11, 2016. Mr. Fusco served as a member of the board of directors of Calpine from August 2008 until March 2018, when the sale of Calpine to an affiliate of Energy Capital Partners and a consortium of other investors was completed. Mr. Fusco was recruited by Calpine's key shareholders in 2008, just as that company was emerging from bankruptcy. Calpine grew to become America's largest generator of electricity from natural gas, safely and reliably meeting the needs of an economy that demands cleaner, more fuel-efficient and dependable sources of electricity. As Chief Executive Officer of Calpine, Mr. Fusco managed a team of approximately 2,300 employees and led one of the largest purchasers of natural gas in America, a successful developer of new gas-fired power generation facilities and a company that prudently managed the inherent commodity trading and balance sheet risks associated with being a merchant power producer.

Mr. Fusco's career of over 30 years in the energy industry began with his employment at Pacific Gas & Electric Company upon graduation from California State University, Sacramento with a Bachelor of Science in Mechanical Engineering in 1984. He joined Goldman Sachs 13 years later as a Vice President with responsibility for commodity trading and marketing of wholesale electricity, a role that led to the creation of Orion Power Holdings, an independent power producer that Mr. Fusco helped found with backing from Goldman Sachs, where he served as President and Chief Executive Officer from 1998-2002. In 2004, he was asked to serve as Chairman and Chief Executive Officer of Texas Genco LLC by a group of private institutional investors, and successfully managed the transition of that business from a subsidiary of a regulated utility to a strong and profitable independent company, generating a more than 5-fold return for shareholders upon its merger with NRG in 2006.

*Skills and Qualifications:* Mr. Fusco brings his prior experience leading successful energy industry companies and his perspective as President and Chief Executive Officer of Cheniere.

**G. Andrea Botta** is the Chairman of the Board. Mr. Botta has served as President of Glenco LLC, ( Glenco ) a private investment company since February 2006. Prior to joining Glenco, Mr. Botta served as Managing Director of Morgan Stanley from 1999 to February 2006. Before joining Morgan Stanley, he was President of EXOR America, Inc. (formerly IFINT-USA, Inc.) from 1993 until September 1999 and for more than five years prior thereto, Vice President of Acquisitions of IFINT-USA, Inc. From March 2008 until February 2018, Mr. Botta served on the board of directors of Graphic Packaging Holding Company. Mr. Botta earned a degree in Economics and Business Administration from the University of Torino in 1976.

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*Skills and Qualifications:* Mr. Botta brings a unique international perspective to our Board and significant financial expertise. He has over 30 years of investing experience primarily in private equity investing.

**Vicky A. Bailey** is the Chairman of our Governance and Nominating Committee and a member of our Audit Committee. Since November 2005, Ms. Bailey has been President of Anderson Stratton International, LLC, a strategic consulting and government relations company in Washington, D.C. She was a partner with Johnston & Associates, LLC, a public relations firm in Washington, D.C., from March 2004 through October 2006. Prior to joining Johnston & Associates, LLC, Ms. Bailey served as Assistant Secretary for the Office of Policy and International Affairs of the U.S. Department of Energy from 2001 through February 2004. From February 2000 until May 2001, she was President and a director of PSI Energy, Inc., the Indiana electric utility subsidiary of Cinergy Corp. Prior to joining PSI Energy, Ms. Bailey was a Commissioner on the Federal Energy Regulatory Commission beginning in 1993. Ms. Bailey currently serves as a director of EQT Corporation, a publicly-traded petroleum and natural gas exploration and pipeline company and Battelle Memorial Institute, a private nonprofit applied science and technology development company, in Columbus, Ohio. In January 2010, Ms. Bailey was appointed as a member of the Secretary of Energy's Blue Ribbon Commission on America's Nuclear Future. She received a B.S. in Industrial Management from Purdue University and completed the Advanced Management Program at the Wharton School in 2013.

*Skills and Qualifications:* Ms. Bailey has extensive knowledge of the energy industry, including significant experience with the Federal Energy Regulatory Commission, and government and public relations. She brings a diverse perspective to our Board based on her experience as a strategic consultant, a former energy executive and having served as Assistant Secretary for the Office of Policy and International Affairs.

**Nuno Brandolini** is the Chairman of our Compensation Committee. Mr. Brandolini was a general partner of Scorpion Capital Partners, L.P., a private equity firm organized as a small business investment company, until June 2014. Prior to forming Scorpion Capital and its predecessor firm, Scorpion Holding, Inc., in 1995, Mr. Brandolini served as Managing Director of Rosecliff, Inc., a leveraged buyout fund co-founded by Mr. Brandolini in 1993. Prior to 1993, Mr. Brandolini was a Vice President in the investment banking department of Salomon Brothers, Inc., and a Principal with the Batheus Group and Logic Capital, two venture capital firms. Mr. Brandolini began his career as an investment banker with Lazard Freres & Co. Mr. Brandolini currently serves as a director of Lilis Energy, Inc., an oil and gas exploration and production company. Mr. Brandolini received a law degree from the University of Paris and an M.B.A. from the Wharton School.

*Skills and Qualifications:* Mr. Brandolini brings a unique financial perspective to our Board based on his extensive experience as an investment banker and having actively managed private equity investments for almost 20 years.

**David I. Foley** is a director of the Company. Mr. Foley is a Senior Managing Director in the Private Equity Group of The Blackstone Group L.P., an investment and advisory firm (Blackstone), and Chief Executive Officer of Blackstone Energy Partners L.P. Prior to joining Blackstone in 1995, Mr. Foley was an employee of AEA Investors Inc., a private equity investment firm, from 1991 to 1993 and a consultant with The Monitor Company, a business management consulting firm, from 1989 to 1991. Mr. Foley currently serves as a director of Kosmos Energy Ltd. and previously served on the board of directors of PBF Energy, Inc. Mr. Foley's appointment to the Board was made pursuant to an Investors' and Registration Rights Agreement that was entered into by the Company, Cheniere Energy Partners GP, LLC (Cheniere Partners GP), Blackstone CQP Holdco, LP (Blackstone Holdco) and various other related parties in connection with Blackstone Holdco's purchase of Class B units in Cheniere Energy Partners, L.P. (Cheniere Partners). Mr. Foley received a B.A. and an M.A. in Economics from Northwestern University and an M.B.A. from Harvard Business School.

*Skills and Qualifications:* Mr. Foley brings a unique financial perspective to our Board based on his extensive experience having actively managed private equity investments for over 20 years.

**David B. Kilpatrick** is a member of our Audit Committee and Compensation Committee. Mr. Kilpatrick previously served as our Lead Director from June 2015 to January 2016. Mr. Kilpatrick has over 30 years of executive, management and operating experience in the oil and gas industry. He has been the President of Kilpatrick Energy Group, which invests in oil and gas ventures and provides executive management consulting services, since 1998. Mr. Kilpatrick has served on the board of directors and is Chairman of the Compensation and Governance Committee of the general partner of Breitburn Energy Partners, L.P., since 2008. Since 2011, Mr. Kilpatrick has served on the board of managers of Woodbine Holdings, LLC, a privately held company engaged in the acquisition, development and production of oil and natural gas properties in Texas. In May 2013, he was elected Chairman of the Board of Applied Natural Gas Fuels, Inc., a producer and distributor of liquefied natural gas fuel for the transportation and industrial markets. He also served on the board of directors of PYR Energy Corporation, a publicly-traded oil and gas exploration and production company, from 2001 to 2007 and of Whittier Energy Corporation, a publicly-traded oil and gas field exploration services company, from 2004 to 2007. He was the President and Chief Operating Officer for Monterey Resources, Inc., an independent oil and gas company, from 1996 to 1998 and held various positions with Santa Fe Energy Resources, an oil and gas production company, from 1983 to 1996. Mr. Kilpatrick received a B.S. in Petroleum Engineering from the University of Southern California and a B.A. in Geology and Physics from Whittier College.

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*Skills and Qualifications:* Mr. Kilpatrick has over 30 years of executive, management and operating experience in the oil and gas industry and brings significant executive-level and consulting experience in the oil and gas industry to our Board.

**Andrew Langham** is a member of our Governance and Nominating Committee. Mr. Langham has been General Counsel of Icahn Enterprises L.P. (a diversified holding company engaged in a variety of businesses, including investment, automotive, energy, gaming, railcar, food packaging, metals, real estate and home fashion) since 2014. From 2005 to 2014, Mr. Langham was Assistant General Counsel of Icahn Enterprises. Prior to joining Icahn Enterprises, Mr. Langham was an associate at Latham & Watkins LLP focusing on corporate finance, mergers and acquisitions and general corporate matters. Mr. Langham serves as a director of: Newell Brands, a leading global consumer goods company with a strong portfolio of well-known brands, since March 2018; Welbilt, Inc. (formerly Manitowoc Foodservice, Inc.), a global leader in foodservice equipment and systems, since February 2016; CVR Partners LP, a nitrogen fertilizer company, since September 2015; and CVR Refining, LP, an independent downstream energy limited partnership, since September 2014. From September 2014 to August 2017, Mr. Langham was a director of CVR Energy, Inc., a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing industries. From October 2015 to March 2018, Mr. Langham was a director of Freeport-McMoRan Inc., a natural resource company. Mr. Langham received a B.A. from Whitman College and a J.D. from the University of Washington.

*Skills and Qualifications:* Mr. Langham brings a unique perspective to our Board based on his significant corporate governance, compliance, regulatory, finance and mergers and acquisitions expertise.

**Courtney R. Mather, CAIA, CFA** is a director nominee. Mr. Mather has served as Portfolio Manager of Icahn Capital, the entity through which Carl C. Icahn manages investment funds, since December 2016, and was previously Managing Director of Icahn Capital from April 2014 to November 2016. Mr. Mather is responsible for identifying, analyzing, and monitoring investment opportunities and portfolio companies for Icahn Capital. Prior to joining Icahn Capital, Mr. Mather was at Goldman Sachs & Co. from 1998 to 2012, most recently as Managing Director responsible for Private Distressed Trading and Investing, where he focused on identifying and analyzing investment opportunities for both Goldman Sachs and clients. Mr. Mather has been a director of: Newell Brands Inc., a global marketer of consumer and commercial products, since March 2018; Conduent Incorporated, a provider of business process outsourcing services, since December 2016; Herc Holdings Inc., an international provider of equipment rental and services, since June 2016; TER Holdings I, Inc. (formerly known as Trump Entertainment Resorts, Inc.), a company engaged in the business of owning and operating casinos and resorts, since February 2016; Freeport-McMoRan Inc., the world's largest publicly traded copper producer, since October 2015; and Ferrous Resources Limited, an iron ore mining company with operations in Brazil, since June 2015. Mr. Mather was previously a director of: Federal-Mogul Holdings Corporation, a supplier of automotive powertrain and safety components, from May 2015 to January 2017; Viskase Companies Inc., a meat casing company, from June 2015 to March 2016; American Railcar Industries, Inc., a railcar manufacturing company, from July 2014 to March 2016; CVR Refining, LP, an independent downstream energy limited partnership, from May 2014 to March 2016; and CVR Energy, Inc., a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing industries, from May 2014 to March 2016. TER Holdings, Ferrous Resources Limited, Federal-Mogul, American Railcar Industries, CVR Refining, CVR Energy and Viskase are each indirectly controlled by Carl C. Icahn. Mr. Icahn also has a non-controlling interest in each of Newell Brands, Conduent, Herc Holdings, and Freeport-McMoRan through the ownership of securities. Mr. Mather received a B.A. from Rutgers College, and attended the United States Naval Academy. Mr. Mather holds the Chartered Alternative Investment Analyst (CAIA) and Chartered Financial Analyst (CFA) professional designations.

*Skills and Qualifications:* Mr. Mather brings significant experience in finance to our Board and experience providing strategic advice and guidance to companies through his service as a director on various public company boards.

**Donald F. Robillard, Jr.** is the Chairman of our Audit Committee. Mr. Robillard served as a director and the Executive Vice President, Chief Financial Officer and Chief Risk Officer of Hunt Consolidated, Inc. ( Hunt ), a private holding company with interests in oil and gas exploration and production, refining, real estate development, private equity investments and ranching, from July 2015 until his retirement on January 31, 2017. Mr. Robillard began his association with Hunt in 1983 as Manager of International Accounting for Hunt Oil Company, Inc., a wholly-owned subsidiary of Hunt. Serving nine of his 34 years of service to the Hunt organization in Yemen in various accounting, finance and management positions, Mr. Robillard returned to the United States to join Hunt 's executive team in 1992. Mr. Robillard was named Senior Vice President and Chief Financial Officer of Hunt in April 2007. Mr. Robillard also served, from February 2016 through August of 2017, as Chief Executive Officer and Chairman of ES Xplore, LLC, a direct hydrocarbon indicator technology company which in 2016 spun out of Hunt. Mr. Robillard is currently on the board of directors of Helmerich & Payne, Inc., a publicly-traded oil and gas drilling company. He is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, the Texas Society of Certified Public Accountants, Financial Executives International and the National Association of Corporate Directors. Mr. Robillard received a B.B.A. from the University of Texas, Austin.

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*Skills and Qualifications:* Mr. Robillard has over 40 years of experience in the oil and gas industry and over 25 years of senior management experience. Mr. Robillard brings significant executive-level experience in the oil and gas industry, including experience with project financing for LNG facilities.

**Neal A. Shear** is a member of our Governance and Nominating Committee. Mr. Shear is Senior Advisor and Chair of the Advisory Committee of Onyxpoint Global Management LP. Mr. Shear served as Interim Special Advisor to the Chief Executive Officer of Cheniere from May 2016 to November 2016 and as Interim Chief Executive Officer and President of Cheniere from December 2015 to May 2016. Mr. Shear was the Chief Executive Officer of Higgs Capital Management, a commodity focused hedge fund until September 2014. Prior to Higgs Capital Management, Mr. Shear served as Global Head of Securities at UBS Investment Bank from January 2010 to March of 2011. Previously, Mr. Shear was a Partner at Apollo Global Management, LLC, where he served as the Head of the Commodities Division. Prior to Apollo Global Management, Mr. Shear spent 26 years at Morgan Stanley serving in various roles including Head of the Commodities Division, Global Head of Fixed Income, Co-Head of Institutional Sales and Trading and Chair of the Commodities Business. He currently serves on the Advisory Board of Green Key Technologies, a financial Voice over Internet Protocol ( VoIP ) technology company. Mr. Shear also serves as a director of Galileo Technologies S.A., a global provider of modular technologies for compressed natural gas and LNG production and transportation, since February 2017; Sable Permian Resources LLC, an independent oil and natural gas company focused on the acquisition, development and production of unconventional oil and natural gas reserves within the Permian Basin of West Texas, since May 2017; and Narl Refining Inc., the refining arm of North Atlantic Holdings St John s Newfoundland, since November 2014. Mr. Shear received a B.S. from the University of Maryland, Robert H. Smith School of Business Management in 1976 and an M.B.A. from Cornell University, Johnson School of Business in 1978.

*Skills and Qualifications:* Mr. Shear brings a unique financial and trading perspective to our Board based on his more than 30 years of experience managing commodity activity and investments.

**Heather R. Zichal** is a member of our Governance and Nominating Committee and Compensation Committee. Ms. Zichal currently serves as the Managing Director of Corporate Engagement at The Nature Conservancy. Ms. Zichal previously served as the Deputy Assistant to the President for Energy and Climate Change from January 2009 to November 2013. Prior to serving as Deputy Assistant to the President for Energy and Climate Change, Ms. Zichal served as the Energy and Environmental Policy Director to the 2008 Obama presidential campaign. She previously served as the Legislative Director to Senator John Kerry after managing energy and environmental issues in his 2004 presidential campaign. Prior to this, Ms. Zichal served as Legislative Director for Reps. Frank Pallone (D-NJ) and Rush Holt (D-NJ). Ms. Zichal received a B.S. in Environmental Policy and Science from Rutgers University.

*Skills and Qualifications:* Ms. Zichal has extensive knowledge of the domestic and global energy markets as well as the U.S. regulatory environment. She brings a diverse perspective about the energy industry to our Board, having served in significant government positions during her career.

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**GOVERNANCE INFORMATION**

**Board Committee Membership and Attendance**

The following table shows the fiscal year 2017 membership and chairpersons of our Board committees, committee meetings held and committee member attendance as a percentage of meetings eligible to attend. The current Chair of each Board committee is indicated in the table.

<b>Number of meetings held</b>	<b>Botta</b>	<b>Fusco</b>	<b>Bailey</b>	<b>Brandolini</b>	<b>Christodoro<sup>(1)</sup></b>	<b>Foley</b>	<b>Kilpatrick</b>	<b>Langham<sup>(1)</sup></b>	<b>Lipinski<sup>(1)</sup></b>	<b>Merksamer<sup>(1)</sup></b>	<b>Robillar</b>
6	100% <sup>(2)</sup>		100%				100% <sup>(2)</sup>		100%	100%	100%
											Chair
5			100%		100%		100% <sup>(2)</sup>	100%			
			Chair								
5				100%			100%		100%	100%	
				Chair							

(1) In August 2017, Messrs. Langham and Lipinski replaced Messrs. Christodoro and Merksamer on the Board.

(2) Mr. Botta served on the Audit Committee until February 2017. In April 2017, Mr. Shear replaced Mr. Kilpatrick as a member of the Governance and Nominating Committee and Mr. Kilpatrick was appointed to the Audit Committee.

**Director Independence**

The Board determines the independence of each director and nominee for election as a director in accordance with the rules and regulations of the SEC and the NYSE American LLC ( NYSE American ) independence standards, which are listed below. The Board also considers relationships that a director may have:

as a partner, shareholder or officer of organizations that do business with or provide services to Cheniere;

as an executive officer of charitable organizations to which we have made or make contributions; and

that may interfere with the exercise of a director's independent judgment.

The NYSE American independence standards state that the following list of persons will not be considered independent:

a director who is, or during the past three years was, employed by the Company or by any parent or subsidiary of the Company;

a director who accepts, or has an immediate family member who accepts, any compensation from the Company or any parent or subsidiary of the Company in excess of \$120,000 during any period of 12 consecutive months within the past three years, other than compensation for Board or committee services, compensation paid to an immediate family member who is a non-executive employee of the Company, compensation received for former service as an interim executive officer provided the interim service did not last longer than one year, benefits under a tax-qualified retirement plan or non-discretionary compensation;

a director who is an immediate family member of an individual who is, or has been in any of the past three years, employed by the Company or any parent or subsidiary of the Company as an executive officer;

a director who is, or has an immediate family member who is a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments (other than those arising solely from investments in the Company's securities or payments under non-discretionary charitable contribution matching programs) that exceed 5% of the organization's consolidated gross revenues for that year, or \$200,000, whichever is more, in any of the most recent three fiscal years;

a director who is, or has an immediate family member who is, employed as an executive officer of another entity where at any time during the most recent three fiscal years any of the Company's executive officers serve on the compensation committee of such other entity; or

a director who is, or has an immediate family member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

As of February 2018, the Board determined that Messrs. Botta, Brandolini, Kilpatrick, Langham, Lipinski, Robillard and Ms. Bailey and Ms. Zichal are independent, and none of them has a relationship that may interfere with the exercise of his or her

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independent judgment. In April 2018, the Board determined that Mr. Mather is independent, and does not have a relationship that may interfere with the exercise of his independent judgment.

Board Leadership Structure and Role in Risk Oversight

*Board Leadership Structure.* Mr. Botta serves as the Non-Executive Chairman of the Board. Mr. Fusco serves as President and CEO.

The Company has in place strong governance mechanisms to ensure the continued accountability of the CEO to the Board and to provide strong independent leadership, including the following:

the Non-Executive Chairman of the Board provides independent leadership to the Board and ensures that the Board operates independently of management and that directors have an independent leadership contact;

each of the Board's standing committees, including the Audit, Compensation and Governance and Nominating Committees, are comprised of and chaired solely by non-employee directors who meet the independence requirements under the NYSE American listing standards and the SEC;

the independent directors of the Board, along with the Compensation Committee, evaluate the CEO's performance and determine his compensation;

the independent directors of the Board meet in executive sessions without management present and have the opportunity to discuss the effectiveness of the Company's management, including the CEO, the quality of Board meetings and any other issues and concerns; and

the Governance and Nominating Committee has oversight of succession planning, both planned and emergency, and the Board has approved an emergency CEO succession process.

The Board believes that its leadership structure assists the Board's role in risk oversight. See the discussion on the Board's Role in Risk Oversight below.

*Non-Executive Chairman of the Board.* The Non-Executive Chairman of the Board position is held by Mr. Botta, an independent director. The Board has appointed the independent Chairman of the Board to provide independent leadership to the Board. The Non-Executive Chairman of the Board role allows the Board to operate independently of management with the Non-Executive Chairman of the Board providing an independent leadership contact to the other directors. The responsibilities of the Non-Executive Chairman of the Board are set out in a Non-Executive Chairman of the Board Charter. These responsibilities include the following:

preside at all meetings of the Board, including executive sessions of the independent directors;

call meetings of the Board and meetings of the independent directors, as may be determined in the discretion of the Non-Executive Chairman of the Board;

work with the CEO and the Corporate Secretary regarding the schedule of Board meetings to assure that the directors have sufficient time to discuss all agenda items;

prepare the Board agendas in coordination with the CEO and the Corporate Secretary;

advise the CEO of any matters that the Non-Executive Chairman of the Board determines should be included in any Board meeting agenda;

advise the CEO as to the quality, quantity, appropriateness and timeliness of the flow of information from the Company's management to the Board;

recommend to the Board the retention of consultants who report directly to the Board;

act as principal liaison between the directors and the CEO on all issues, including, but not limited to, related party transactions;

in the discretion of the Non-Executive Chairman of the Board, participate in meetings of the committees of the Board;

in the absence of the CEO or as requested by the Board, act as the spokesperson for the Company; and

be available, if requested, for consultation and direct communication with major shareholders of the Company.

*Board's Role in Risk Oversight.* Risks that could affect the Company are an integral part of Board and committee deliberations throughout the year. The Board has oversight responsibility for assessing the primary risks (including liquidity, credit, operations and regulatory compliance) facing the Company, the relative magnitude of these risks and management's plan for mitigating these risks. In addition to the Board's oversight responsibility, the committees of the Board consider the risks within their areas of responsibility. The Board and its committees receive regular reports directly from members of management who are responsible for oversight of particular risks within the Company. The Audit Committee discusses with management the Company's major financial and risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. For a discussion of the Compensation Committee's risk oversight,

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please see Review of Compensation Risk on page 20 of this Proxy Statement. The Board and its committees regularly discuss the risks related to the Company's business strategy at their meetings.

Corporate Social Responsibility and Political Advocacy and Oversight

## **Health, Safety and the Environment**

It is Cheniere's policy to protect the health and safety of all personnel, customers and others on-site or affected by our operations as well as prevent impacts to the environment in all aspects of executing our business strategy. Our commitment to promote the health and safety of contractors and employees, to preserve the environment, to contribute to the long-term strength of the communities where we do business and to operate and develop sustainably will ensure strong economic value for all stakeholders.

At Cheniere, sustainability and social responsibility are core requirements that are integral to the long-term success of our business. Cheniere provides a lower carbon alternative to coal and liquid fuels in support of the global shift to a lower carbon energy mix. Cheniere is committed to continually improving environmental performance, conducting business in an environmentally responsible manner and reducing impacts to the environment. To strengthen this commitment, in 2018 we plan to formalize our strategic goals in the area of sustainability and social responsibility by developing a sustainability strategic plan and policy that aligns with our business and tracks our economic, environmental and social performance via a globally accepted standard such as the Global Reporting Initiative (GRI) Sustainability Guidelines.

Cheniere's management integrates occupational health and safety, process safety, integrity management and environmental stewardship into all business decisions and operations and operationalizes our core values of Teamwork, Respect, Accountability, Integrity, Nimble and Safety. In furtherance of these core values:

### *Health and Safety*

We promote a Generative Safety Culture where no job is so important that it cannot be done safely;

We have proactive committed leadership and individual accountability for health and safety with proactive identification and management of risk;

We deliver on performance measurement to drive continual improvement towards eliminating injuries and ill-health and integrate health and safety into all aspects of the business;

We comply with applicable legal and regulatory requirements, conform with industry standards and verify through assurance assessments and reviews; and

We engage employees, provide training and ensure competency in safe work practices and procedures.  
*Environmental Stewardship*

We obtain necessary environmental authorizations and ensure compliance;

We promote environmental awareness and education throughout all levels of the organization;

We work to minimize adverse impacts to the environment;

We implement and fund beneficial use and wetland mitigation projects, with past projects including tidal mitigation, breakwaters to protect bird habitats and oyster reef and fish habitat construction;

We maintain positive relationships and proactively engage with regulators and community stakeholders; and

We track environmental performance of our assets on a periodic basis to demonstrate achievement of our corporate strategic goals.

#### **Community Investments**

We are committed to being a responsible corporate leader in the communities where we operate and our employees live. We deliver on this promise by engaging in philanthropic activities that support Cheniere's values, fostering strong community relationships and enhancing employee satisfaction and engagement.

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We offer several programs through which we can impact our communities, such as volunteer efforts, financial contributions and in-kind donations. We established the Cheniere Cares Foundation in late 2017, which is a non-profit dedicated to giving back to the communities in which we live and work. In 2018, we are implementing several other enhancements, including a formal Volunteer Hours Policy and an Employee Matching Gifts Program. We strategically prioritize our investments by aligning with our business and community needs.

### *2017 Community Investments Updates and Highlights*

In 2017, we spent approximately \$3.5 million in support of local non-profit organizations. In 2017, the most notable event in the Gulf of Mexico was Hurricane Harvey, a thousand-year storm that hit all three of our Gulf locations. Yet even in its devastation, we saw the best of Cheniere, our employees and the community at-large. We were extremely proud of our employees and their willingness to help colleagues and neighbors. Our employees used their own boats during the storm to help neighbors and coworkers and even save livestock. After the storm, Cheniere held a day of service, knowing that for many the recovery and rebuilding phase will be the hardest. We were one of the first companies to announce a large donation to the American Red Cross, committing \$1 million to their efforts to provide support during and after Hurricane Harvey.

### **Political Advocacy and Oversight**

It is Cheniere's policy that Company funds or assets will not be used to make a political contribution to any political party or candidate, unless approval has been given by a compliance officer. The Cheniere Energy, Inc. Political Action Committee (the "Cheniere PAC") is a forum for employees to voluntarily contribute to a fund that supports the election of candidates to Congress who support the principles of free enterprise, good government, a fair and reasonable business environment for the energy industry and who share the Company's philosophy that energy diversity advances overall energy security. Decisions about contributions to specific federal candidates are made by members of the Cheniere PAC, with input from the Company's government affairs staff in Washington, D.C.

In total, Cheniere and Cheniere employees, through the Cheniere PAC, contributed less than \$1 million in 2017 to political parties and candidates.

### Meetings and Committees of the Board

Our operations are managed under the broad supervision and direction of the Board, which has the ultimate responsibility for the establishment and implementation of the Company's general operating philosophy, objectives, goals and policies. Pursuant to authority delegated by the Board, certain Board functions are discharged by the Board's standing Audit, Governance and Nominating and Compensation Committees. Members of the Audit, Governance and Nominating and Compensation Committees for a given year are selected by the Board following the annual shareholders' meeting. During the fiscal year ended December 31, 2017, our Board held 9 meetings. Each incumbent member of the Board attended or participated in at least 75% of the aggregate number of: (i) Board meetings; and (ii) committee meetings held by each committee of the Board on which the director served during the period for which each director served. Although directors are not required to attend annual shareholders' meetings, they are encouraged to attend such meetings. At the 2017 Annual Meeting of Shareholders, 11 of the 11 members of the Board then serving were present.

Committee Membership as of April 13, 2018:

**Governance and Nominating**

**Audit Committee**

**Committee**

**Compensation Committee**

Donald F. Robillard, Jr.\*

Vicky A. Bailey\*

Nuno Brandolini\*

Vicky A. Bailey

Andrew Langham

David B. Kilpatrick

David B. Kilpatrick

Neal A. Shear

John J. Lipinski

John J. Lipinski

Heather R. Zichal

Heather R. Zichal

\* Chair of Committee

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### Audit Committee

Each member of the Audit Committee has been determined by the Board to be independent as defined by the NYSE American listing standards and by the SEC, and the Board determined that Messrs. Lipinski, Robillard and Mather are each an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated by the SEC. The Audit Committee held 6 meetings during the fiscal year ended December 31, 2017.

The Audit Committee has a written charter, which is available on our website at [www.cheniere.com](http://www.cheniere.com). The Audit Committee is appointed by the Board to oversee the accounting and financial reporting processes of the Company and the audits of the Company's financial statements. The Audit Committee assists the Board in overseeing:

the integrity of the Company's financial statements;

the qualifications, independence and performance of our independent auditor;

our internal audit function and systems of internal controls over financial reporting and disclosure controls and procedures; and

compliance by the Company with legal and regulatory requirements.

The Audit Committee maintains a channel of communication among the independent auditor, principal financial and accounting officers, VP-internal audit, compliance officer and the Board concerning our financial and compliance position and affairs. The Audit Committee has and may exercise all powers and authority of the Board in connection with carrying out its functions and responsibilities and has sole authority to select and retain the independent auditor and authority to engage and determine funding for independent legal, accounting or other advisers. The Audit Committee's responsibility is oversight, and it recognizes that the Company's management is responsible for preparing the Company's financial statements and complying with applicable laws and regulations.

### Governance and Nominating Committee

Each member of the Governance and Nominating Committee has been determined by the Board to be independent as defined by the NYSE American listing standards and by the SEC. The Governance and Nominating Committee held 5 meetings during the fiscal year ended December 31, 2017.

The Governance and Nominating Committee has a written charter, which is available on our website at [www.cheniere.com](http://www.cheniere.com). The Governance and Nominating Committee is appointed by the Board to develop and maintain

the Company's corporate governance policies. The Governance and Nominating Committee also oversees our Director Nomination Policy and Procedures. The Governance and Nominating Committee has the following duties and responsibilities, among others:

develop a process, subject to approval by the Board, for an annual evaluation of the Board and its committees and oversee this evaluation;

identify, recruit and evaluate individuals qualified to serve on the Board in accordance with the Company's Director Nomination Policy and Procedures and recommend to the Board such director nominees to be considered for election at the Company's annual meeting of shareholders or to be appointed by the Board to fill an existing or newly created vacancy on the Board;

identify, at least annually, members of the Board to serve on each Board committee and as chairman and recommend each such member and chairman to the Board for approval;

assist the Board in evaluating and determining director independence under applicable laws, rules and regulations, including the rules and regulations of the NYSE American;

develop and maintain policies and procedures with respect to the evaluation of the performance of the CEO;

review periodically the size of the Board and the structure, composition and responsibilities of the committees of the Board to enhance continued effectiveness;

review, at least annually, director compensation for service on the Board and Board committees, including committee chairmen compensation, and recommend any changes to the Board;

review, at least annually, the Company's policies and practices relating to corporate governance and, when necessary or appropriate, recommend any proposed changes to the Board for approval;

provide oversight of a process by each committee of the Board to review, at least annually, the applicable charter of such committee and, when necessary or appropriate, recommend changes in such charters to the Board for approval; and

along with the independent directors of the Board, develop and maintain policies and principles with respect to the search for and evaluation of potential successors to the CEO, and maintain a succession plan in accordance with such policies.

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Compensation Committee

Each member of the Compensation Committee has been determined by the Board to be independent as defined by the NYSE American listing standards and by the SEC. The Compensation Committee held 5 meetings during the fiscal year ended December 31, 2017. The Compensation Committee reviews and approves the compensation policies, practices and plans of the Company pursuant to a written charter, which is available on our website at [www.cheniere.com](http://www.cheniere.com). The Chairman of the Compensation Committee, in consultation with other Compensation Committee members, members of management and the independent compensation consultant, determines the agenda and dates of Compensation Committee meetings.

The Compensation Committee's charter is reviewed annually. Changes to the charter must be approved by the Board on the recommendation of the Compensation Committee. The charter provides that the Compensation Committee has the sole authority to retain, oversee and terminate any compensation consultant, independent legal counsel or other adviser engaged to assist in the evaluation of compensation of directors and executive officers of the Company, including the sole authority to approve such adviser's fees and other retention terms. Pursuant to the charter, the Compensation Committee has the following duties and responsibilities, among others:

review and approve corporate goals and objectives, after consultation with the Board and management and consistent with stockholder-approved compensation plans, for performance-based compensation for the CEO and other executive officers for the defined performance period;

review and recommend to the Board for approval the maximum amount of performance-based compensation for the CEO and other executive officers for the defined performance period;

review and certify, in writing, whether established goals and objectives of any performance-based compensation plans for the CEO and other executive officers have been met for the completed performance period;

review and recommend to the Board for approval performance-based compensation, if any, for the CEO and other executive officers based on the established corporate goals and objectives for the completed performance period;

review and recommend to the Board for approval the compensation level for the CEO and other executive officers based on the Compensation Committee's evaluations;

report to the Board on the performance of the CEO and other executive officers in light of the established corporate goals and objectives for the performance period;

assess the ongoing competitiveness of the total executive compensation package;

review and approve budgets and guidelines for performance-based compensation;

review existing cash-based and equity-based compensation plans;

review and recommend to the Board for approval all new cash-based, equity-based and performance-based compensation plans and all modifications to existing compensation plans, provided that any equity-based inducement plans shall be approved by the Compensation Committee;

review and discuss the Company's Compensation Discussion and Analysis ( CD&A ) and the related executive compensation information and recommend that the CD&A and related executive compensation information be included in the Company's proxy statement and annual report on Form 10-K, as required by the rules and regulations of the SEC;

approve the Compensation Committee Report on executive officer compensation included in the Company's proxy statement or annual report on Form 10-K, as required by the rules and regulations of the SEC;

review and recommend to the Board for approval the frequency with which the Company will conduct say-on-pay votes, taking into account the results of the most recent shareholder advisory vote on frequency of say-on-pay votes required by the rules and regulations of the SEC, and review and approve the proposals regarding the say-on-pay vote and the frequency of the say-on-pay vote to be included in the Company's proxy statement;

review and recommend to the Board for approval any employment agreements, severance arrangements, change-in-control arrangements or special or supplemental employee benefits, and any material amendments to the foregoing, applicable to executive officers, provided that any awards granted under an equity-based inducement plan shall be approved by the Compensation Committee;

review and recommend to the Board for approval new hire and promotion compensation arrangements for executive officers, provided that any awards granted under an equity-based inducement plan shall be approved by the Compensation Committee;

administer the Company's stock plans;

grant awards under the stock plans or delegate that responsibility to the Equity Grant Committee or a committee of the Board, provided that any awards granted under an equity-based inducement plan shall be approved by the Compensation Committee;

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conduct and review an annual Committee performance evaluation; and

review the Company's executive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss, at least annually, the relationship between risk management policies and practices and executive compensation and evaluate executive compensation policies and practices that may mitigate any such risk.

**Review of Compensation Risk**

The Compensation Committee considered the risks associated with our compensation policies and practices in 2017. The Compensation Committee concluded that our compensation policies and practices were not reasonably likely to have a material adverse effect on the Company and did not include risk-taking incentives or encourage our employees, including our executive officers, to take excessive risks in order to receive larger awards. As part of this analysis, the Compensation Committee considered the individual components of our executive officers' compensation, the performance measures required to be achieved to earn cash bonus and equity awards and the vesting schedule of the equity awards. In concluding that our incentive plans do not promote excessive risk, the Compensation Committee considered the following factors, among others:

A significant portion of our executive officers' compensation is tied to developmental, operating and corporate performance goals and the achievement of the performance goals is conducted in accordance with the Company's risk framework approved by the Board.

A significant portion of our executive officers' compensation is provided in equity and is tied to the stock value of the Company, and our executive officer stock ownership guidelines subject our executive officers to minimum share ownership and retention requirements, further aligning their interests with those of our shareholders.

Our compensation program design provides a mix of annual and longer-term incentives and performance measures.

Our compensation mix is not overly weighted toward annual incentives.

We do not maintain highly leveraged payout curves and uncapped payouts, nor do we maintain steep payout cliffs at certain performance levels that may encourage short-term business decisions to meet payout thresholds.

We currently do not grant stock options.

The Compensation Committee has discretion over incentive award payouts, and compliance and ethical behavior are integral factors considered in all performance assessments.

The Company's Policy on Insider Trading and Compliance prohibits executive officers from hedging and effecting short sales of the Company's stock and prohibits pledging of the Company's stock.  
Code of Conduct and Ethics and Corporate Governance Guidelines

Our Code of Business Conduct and Ethics, which is applicable to all directors, officers and employees of the Company, is available on the Company's website at [www.cheniere.com](http://www.cheniere.com).

Our Corporate Governance Guidelines set out the material corporate practices that the Board has implemented which serve the best interests of the Company and its shareholders. Our Corporate Governance Guidelines are available on the Company's website at [www.cheniere.com](http://www.cheniere.com).

Compensation Committee Interlocks and Insider Participation

During 2017, none of our executive officers served as a member of the compensation committee of any other company that had an executive officer who served as a member of our Board. During 2017, none of our executive officers served as a member of the board of directors of any other company that had an executive officer who served as a member of our Compensation Committee.

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## Director Compensation

Our Corporate Governance Guidelines provide for compensation for our directors' services, in recognition of their time and skills. Directors who are also our officers or employees do not receive additional compensation for serving on the Board.

Maintaining a market based compensation program for our directors enables the Company to attract qualified members to serve on the Board. The Governance and Nominating Committee, with the assistance of our independent compensation consultant, periodically reviews our director compensation levels and practices and compares them to that of comparable companies to ensure they are aligned with market practices. Specifically, comparisons are made to the companies included in our peer group used for benchmarking the compensation of our executive officers, as well as to data presented in the annual NACD Director Compensation Report. Based on the results of such competitive reviews, the Governance and Nominating Committee may recommend changes to our director compensation program to the Board for approval.

During the fiscal year ended December 31, 2017, the Board approved an increase to the annual compensation for each non-employee director for his or her service from \$180,000 to \$210,000 for the period from the 2017 Annual Meeting of Shareholders through the Meeting. Mr. Fusco did not receive any compensation for his service as a director. Directors may elect to receive the annual compensation either (i) 100% in restricted stock or (ii) \$90,000 in cash and \$120,000 in restricted stock. Additional compensation is also paid for Board leadership positions, to recognize the additional time required to perform their responsibilities. These additional fees are as follows: \$20,000 each for the Chairs of the Audit Committee and Compensation Committee; \$10,000 for the Chair of the Governance and Nominating Committee; and \$150,000 for the Non-Executive Chairman. Cash payments are made quarterly. The directors' restricted stock awarded in 2017 vests on the earlier of: (i) the day immediately prior to the date of the Company's regular annual meeting of shareholders in the calendar year following the calendar year in which the date of the grant occurs; and (ii) the first anniversary of the date of grant.

The Compensation Committee believes that our total director compensation package is competitive with market practices, as well as fair and appropriate in light of the responsibilities and obligations of our nonemployee directors.

The compensation earned by or paid to our non-employee directors for the year ended December 31, 2017, is set forth in the following table.

**Non-Employee Director Compensation Table for Fiscal Year 2017**

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)<sup>(1)</sup></b>	<b>Option Awards (\$)</b>	<b>Non-Equity Incentive Plan Compensation</b>	<b>Change in Pension Compensation</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
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**Value  
and  
Nonqualified  
Deferred  
Compensation  
Earnings (\$)**

Vicky A. Bailey <sup>(2)</sup>	\$103,750	\$ 125,039	\$ 228,789
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G. Andrea Botta <sup>(3)</sup>	\$173,750	\$ 195,035	\$ 368,785
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Nuno Brandolini <sup>(4)</sup>	\$108,750	\$ 130,007	\$ 238,757
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Jonathan Christodoro <sup>(5)(6)</sup>	\$ 76,250	\$	\$ 76,250
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David I. Foley <sup>(7)</sup>	\$ 53,750	\$ 120,021	\$ 173,771
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David B. Kilpatrick <sup>(8)</sup>	\$ 53,750	\$ 120,021	\$ 173,771
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Andrew Langham <sup>(6)(9)</sup>	23,301	\$ 91,100	\$ 114,401
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John J. Lipinski <sup>(6)(10)</sup>	\$ 23,301	\$ 91,100	\$ 114,401
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Samuel Merksamer <sup>(6)(11)</sup>	\$ 76,250	\$	\$ 76,250
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Donald A. Robillard, Jr. <sup>(12)</sup>	13,750	\$ 230,009	\$ 243,759
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Neal A. Shear <sup>(13)</sup>	8,750	\$ 210,038	\$ 218,788
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Heather R. Zichal <sup>(14)</sup>	\$ 98,750	\$ 120,021	\$ 218,771
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(1) For Meses. Bailey and Zichal and Messrs. Botta, Brandolini, Christodoro, Foley, Kilpatrick, Merksamer, Robillard and Shear, the amounts in this column reflect the grant date fair values (at \$48.71 per share on May 18, 2017) of awards made on May 18, 2017. For Messrs. Langham and Lipinski, the amounts in this column reflect the grant date fair values (at \$42.57 per share on August 14, 2017) of awards made on August 14, 2017.

(2) Ms. Bailey was granted 2,567 shares of restricted stock on May 18, 2017, with a grant date fair value of \$125,039. Ms. Bailey receives \$10,000 for her service as Chairman of the Governance and Nominating Committee. As of December 31, 2017, she had a total 2,567 shares of restricted stock outstanding.

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- (3) Mr. Botta was granted 4,004 shares of restricted stock on May 18, 2017, with a grant date fair value of \$195,035. Mr. Botta receives \$150,000 for his service as Non-Executive Chairman of the Board of Directors. As of December 31, 2017, he had a total of 4,004 shares of restricted stock outstanding.
- (4) Mr. Brandolini was granted 2,669 shares of restricted stock on May 18, 2017, with a grant date fair value of \$130,007. Mr. Brandolini receives \$20,000 for his service as Chairman of the Compensation Committee. As of December 31, 2017, he had a total of 2,669 shares of restricted stock outstanding.
- (5) Mr. Christodoro was granted 2,464 shares of restricted stock on May 18, 2017, with a grant date fair value of \$120,021. As of December 31, 2017, he had a total of 0 shares of restricted stock outstanding.
- (6) On August 14, 2017, Messrs. Christodoro and Merksamer resigned from the Board, and the Board appointed Messrs. Langham and Lipinski to serve as members of the Board. All of the outstanding shares of restricted stock of Messrs. Christodoro and Merksamer were forfeited upon their departure from the Board.
- (7) Mr. Foley was granted 2,464 shares of restricted stock on May 18, 2017, with a grant date fair value of \$120,021. Mr. Foley is an employee of Blackstone and, pursuant to arrangements between Mr. Foley and Blackstone, is required to transfer to Blackstone any and all compensation received in connection with his directorship for any company Blackstone invests in or advises.
- (8) Mr. Kilpatrick was granted 2,464 shares of restricted stock on May 18, 2017, with a grant date fair value of \$120,021. As of December 31, 2017, he had a total of 2,464 shares of restricted stock outstanding.
- (9) Mr. Langham was granted 2,140 shares of restricted stock on August 14, 2017, with a grant date fair value of \$91,100. As of December 31, 2017, he had a total of 2,140 shares of restricted stock outstanding.
- (10) Mr. Lipinski was granted 2,140 shares of restricted stock on August 14, 2017, with a grant date fair value of \$91,100. As of December 31, 2017, he had a total of 2,140 shares of restricted stock outstanding.
- (11) Mr. Merksamer was granted 2,464 shares of restricted stock on May 18, 2017, with a grant date fair value of \$120,021. As of December 31, 2017, he had a total of 0 shares of restricted stock outstanding.
- (12) Mr. Robillard was granted 4,722 shares of restricted stock on May 18, 2017, with a grant date fair value of \$230,009. Mr. Robillard receives \$20,000 for his service as Chairman of the Audit Committee. As of December 31, 2017, he had a total of 5,664 shares of restricted stock outstanding.
- (13) Mr. Shear was granted 4,312 shares of restricted stock on May 18, 2017, with a grant date fair value of \$210,038. As of December 31, 2017, he had a total of 5,254 shares of restricted stock outstanding.

(14) Ms. Zichal was granted 2,464 shares of restricted stock on May 18, 2017, with a grant date fair value of \$120,021. As of December 31, 2017, she had a total of 3,406 shares of restricted stock outstanding. Courtney R. Mather is not listed in the above table as he is not currently a member of the Board and was not a member of the Board in 2017.

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**Table of Contents****MANAGEMENT**

## Executive Officers

The following table sets forth the names, ages and positions of each of our executive officers, as of the Record Date, all of whom serve at the request of the Board:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Jack A. Fusco	55	Director, President and Chief Executive Officer
Michael J. Wortley	41	Executive Vice President and Chief Financial Officer
Anatol Feygin	49	Executive Vice President and Chief Commercial Officer
Sean N. Markowitz	44	General Counsel and Corporate Secretary
Douglas D. Shanda	48	Senior Vice President, Operations
Ed Lehotsky	64	Senior Vice President, Engineering and Construction

**Jack A. Fusco** has served as President and Chief Executive Officer since May 2016. Further information regarding Mr. Fusco is provided above under Director Biographies.

**Michael J. Wortley** has served as Executive Vice President and Chief Financial Officer since September 2016. Mr. Wortley joined Cheniere in February 2005. He served as Senior Vice President and Chief Financial Officer from January 2014 to September 2016. He served as Vice President, Strategy and Risk of Cheniere from January 2013 to

January 2014 and as Vice President-Business Development of Cheniere and President of Corpus Christi Liquefaction, LLC, a wholly-owned subsidiary of Cheniere, from September 2011 to January 2013. He served as Vice President-Strategic Planning from January 2009 to September 2011 and Manager-Strategic New Business from August 2007 to January 2009. Mr. Wortley serves as a director and Executive Vice President and Chief Financial Officer of Cheniere Energy Partners GP, LLC, a wholly-owned subsidiary of Cheniere and the general partner of Cheniere Energy Partners, L.P. He also serves as a director and Executive Vice President and Chief Financial Officer of Cheniere Energy Partners LP Holdings, LLC. Prior to joining Cheniere in February 2005, Mr. Wortley spent five years in oil and gas corporate development, mergers, acquisitions and divestitures with Anadarko Petroleum Corporation ( Anadarko ), a publicly-traded oil and gas exploration and production company. Mr. Wortley began his career with Union Pacific Resources Corporation, a publicly-traded oil and gas exploration and production company subsequently acquired by Anadarko. Mr. Wortley received a B.B.A. in Finance from Southern Methodist University.

**Anatol Feygin** has served as Executive Vice President and Chief Commercial Officer since September 2016. Mr. Feygin joined Cheniere in March 2014 as Senior Vice President-Strategy and Corporate Development. Mr. Feygin also currently serves as Executive Vice President and Chief Commercial Officer of Cheniere Energy Partners GP, LLC and as a director and Executive Vice President and Chief Commercial Officer of Cheniere Energy Partners LP Holdings, LLC. Prior to joining Cheniere, Mr. Feygin worked with Loews Corporation from November 2007 to March 2014, most recently as its Vice President, Energy Strategist and Senior Portfolio Manager. Prior to joining Loews, Mr. Feygin spent three years at Bank of America, most recently as Head of Global Commodity Strategy. Mr. Feygin began his banking career at J.P. Morgan Securities Inc. as Senior Analyst, Natural Gas Pipelines and Distributors. Mr. Feygin earned a B.S. in Electrical Engineering from Rutgers University and an M.B.A. in Finance from the Leonard N. Stern School of Business at New York University.

**Sean N. Markowitz** has served as General Counsel and Corporate Secretary since September 2016. Mr. Markowitz joined Cheniere in October 2015 as Assistant General Counsel and Corporate Secretary. Mr. Markowitz served as Interim General Counsel and Corporate Secretary from June 2016 to September 2016. Mr. Markowitz also currently serves as General Counsel and Corporate Secretary of Cheniere Energy Partners GP, LLC and Cheniere Energy Partners LP Holdings, LLC. Prior to joining Cheniere, Mr. Markowitz served as General Counsel and Corporate Secretary for Sizmek, Inc. (and its predecessor company, Digital Generation, Inc.) from August 2012 to May 2015. Prior to joining Digital Generation, Inc., Mr. Markowitz served as Chief Legal Counsel Commercial for Alon USA Energy, Inc. from August 2010 to August 2012 (and as Assistant General Counsel from December 2008 to July 2010). From January 2006 to December 2008, Mr. Markowitz served as Counsel Corporate Acquisitions and Finance for Electronic Data Systems Corporation which was acquired by Hewlett-Packard Company in August 2008. Mr. Markowitz's earlier career experience includes service with the law firms of Fulbright & Jaworski L.L.P. (now a part of Norton Rose Fulbright), Hughes & Luce L.L.P. (now a part of K&L Gates LLP) and Andrews Kurth LLP (now a part of Hunton Andrews Kurth LLP). Mr. Markowitz earned his J.D., with honors, from The University of Texas School of Law and graduated magna cum laude with a B.S. in Economics from the Wharton School of the University of Pennsylvania.

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**Douglas D. Shanda** has served as Senior Vice President, Operations, since September 2016. Mr. Shanda joined Cheniere in October 2012 as Vice President, Sabine Pass Operations leading the effort to prepare for liquefaction operations. His role was expanded to include Corpus Christi Operations in 2015. Mr. Shanda currently serves as a Director and Senior Vice President, Operations of Cheniere Energy Partners GP, LLC and Cheniere Energy Partners LP Holdings, LLC. Mr. Shanda serves as President of Sabine Pass Liquefaction, LLC and Senior Vice President, Terminal Operations of Corpus Christi Liquefaction, LLC. Mr. Shanda is responsible for safe, reliable operations at Cheniere's LNG terminals. Mr. Shanda has been professionally involved in the power, chemical, petrochemical, refining and LNG industries for over 25 years. Prior to joining Cheniere, Mr. Shanda served as the Senior Project Engineer, Technical Manager and Plant Manager of the PERU LNG liquefaction plant in Melchorita, Peru where he was responsible for the overall management of the facility including production, marine, maintenance, technical services, EHS, security and administration. Mr. Shanda has over 25 years of experience in project management and operations management. Mr. Shanda also serves as a director for The Alley Theatre and The Interstate Natural Gas Association of America (INGAA). He has a B.S. degree in Electrical Engineering from Iowa State University.

**Ed Lehotsky** has served as Senior Vice President, Engineering and Construction, since September 2016. Mr. Lehotsky joined Cheniere in May 2003 and served as Vice President of LNG Project Management during construction and start-up of the Sabine Pass LNG terminal. Mr. Lehotsky currently serves as Senior Vice President, Engineering & Construction of Cheniere Energy Partners GP, LLC. Mr. Lehotsky serves as Senior Vice President, LNG Engineering and Construction of Sabine Pass Liquefaction, LLC and President of Corpus Christi Liquefaction, LLC. Mr. Lehotsky has the overall responsibility of engineering, construction and start-up of the liquefaction facilities at our projects in both Sabine Pass and Corpus Christi, as well as development of other LNG related facilities for Cheniere. Prior to joining Cheniere, Mr. Lehotsky held various positions at KBR and its predecessor companies for 25 years, with the majority of his experience dealing with LNG engineering and construction of liquefaction and regasification facilities internationally and domestically. He received a B.S. in Electrical Engineering from Case Western Reserve University.

#### Indemnification of Officers and Directors

Our Restated Certificate of Incorporation, as amended, and Bylaws provide that the Company will indemnify its directors and officers to the fullest extent permissible under Delaware law. These indemnification provisions require the Company to indemnify such persons against certain liabilities and expenses to which they may become subject by reason of their service as a director or officer of the Company or any of its affiliated enterprises. The provisions also set forth certain procedures, including the advancement of expenses, that apply in the event of a claim for indemnification.

We have also entered into an Indemnification Agreement with members of our Board and certain officers of the Company. The Indemnification Agreement provides for indemnification for all expenses and claims that a director or officer incurs as a result of actions taken, or not taken, on behalf of the Company while serving as a director, officer, employee, controlling person, agent or fiduciary (the Indemnitee) of the Company, or any subsidiary of the Company, with such indemnification to be paid within 25 days after written demand. The Indemnification Agreement provides that no indemnification will generally be provided: (1) for claims brought by the Indemnitee, except for a claim of indemnity under the Indemnification Agreement, if the Company approves the bringing of such claim, or as otherwise required under Section 145 of the General Corporation Law of the State of Delaware, regardless of whether the Indemnitee ultimately is determined to be entitled to indemnification; (2) for claims under Section 16(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act); (3) if the Indemnitee did not act in good faith or in

a manner reasonably believed by the Indemnitee to be in or not opposed to the best interests of the Company; (4) if the Indemnitee had reasonable cause to believe that his or her conduct was unlawful in a criminal proceeding; or (5) if the Indemnitee is adjudged liable to the Company. Indemnification will be provided to the extent permitted by law, the Company's Restated Certificate of Incorporation, as amended, and Bylaws, and to a greater extent if, by law, the scope of coverage is expanded after the date of the Indemnification Agreement. In all events, the scope of coverage will not be less than what is in existence on the date of the Indemnification Agreement.

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**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information about our compensation plans as of December 31, 2017. The equity compensation plans approved by our shareholders include the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan, as amended (the 2003 Plan ) and the Cheniere Energy, Inc. 2011 Incentive Plan, as amended (the 2011 Plan ).

<b>Plan Category</b>	<b>(a)</b> <b>Number of securities</b> <b>to be issued</b> <b>upon</b> <b>exercise of</b> <b>outstanding options,</b> <b>warrants and</b> <b>rights</b>	<b>(b)</b> <b>Weighted-</b> <b>average exercise</b> <b>price of</b> <b>outstanding</b> <b>options, warrants</b> <b>and rights</b>	<b>(c)</b> <b>Number of securities</b> <b>remaining available for</b> <b>future issuance</b> <b>under</b> <b>equity</b> <b>compensation</b> <b>plans (excluding</b> <b>securities</b> <b>reflected in</b> <b>the first column</b> <b>(a))</b>
Equity compensation plans approved by security holders	1,349,148 <sup>(1)</sup>		7,255,181 <sup>(2)</sup>
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>1,349,148</b>		<b>7,255,181</b>

(1) The number in this column represents the number of shares issuable under outstanding RSU awards and PSU awards based on the target award level. For more information regarding these awards, please see LTI Program on page 39 of this Proxy Statement. The weighted-average exercise price of outstanding options, warrants and rights does not take these awards into account.

(2) In 2003, the Company established the 2003 Plan, which was amended and restated in September 2005 and has since been amended. The 2003 Plan is a broad-based incentive plan, which allows for the issuance of stock options, stock appreciation rights and awards of purchased stock, bonus stock, phantom stock, restricted stock and performance awards and other stock-based awards to employees, consultants and non-employee directors. The following awards have been granted under the 2003 Plan and remain outstanding as of December 31, 2017: 144,276 shares of restricted stock. The term of any award under the 2003 Plan may not exceed a period of ten years. As of December 31, 2017, no shares of common stock remained available for grant under the 2003 Plan. In 2011, the Company established the 2011 Plan, which was amended and restated in April 2017. The 2011 Plan is a broad-based incentive plan, which allows for the issuance of stock options, stock appreciation rights and awards of bonus stock, phantom stock, restricted stock and performance awards and other stock-based awards to employees, consultants and non-employee directors. The following awards have been granted under the 2011 Plan and remain outstanding as of December 31, 2017: 1,987,012 shares of restricted stock, 1,159,368 shares underlying RSUs and 189,780 shares underlying PSUs based on the target award level. The term of any award under the 2011 Plan may not exceed a period of ten years.

Vesting of restricted stock under the 2003 Plan and 2011 Plan depends on whether the restricted stock was granted as a new hire award, retention award, annual director equity award or a milestone award for construction of Trains 3 and 4 of the SPL Project. Vesting of new hire awards and retention awards occurs in equal annual installments over a four-year period on each anniversary of the grant date. The outstanding annual director equity awards vest on the earlier of: (i) the day immediately prior to the date of the Company's next annual meeting of shareholders after the date of grant and (ii) the first anniversary of the date of grant. Vesting of the milestone award for construction of Trains 3 and 4 of the SPL Project is described under [Outstanding Equity Awards at Fiscal Year-End](#) on page 52 of this Proxy Statement.

Restricted Stock Units ( RSUs ) under the 2011 Plan vest in equal annual installments over a three-year period on each anniversary of the grant date.

Performance Share Units ( PSUs ) under the 2011 Plan cliff vest upon the third anniversary of the grant date, subject to the satisfaction of performance conditions.

**Table of Contents****SECURITY OWNERSHIP**

As of the Record Date, there were 237,839,985 shares of common stock outstanding. The information provided below summarizes the beneficial ownership of directors, nominees for director, named executive officers set forth in the Summary Compensation Table, and all our directors and executive officers as a group, as well as owners of more than 5% of our outstanding common stock. Beneficial Ownership generally includes those shares of Company common stock that a person has the power to vote, sell or acquire within 60 days. It includes shares of Company common stock that are held directly and also shares held indirectly through a relationship, a position as a trustee or under a contract or understanding.

**Directors and Executive Officers**

The following table sets forth information with respect to shares of common stock of the Company owned of record and beneficially as of the Record Date by each director, nominee for director and named executive officer set forth in the Summary Compensation Table and by all current directors and executive officers of the Company as a group. As of the Record Date, the current directors and executive officers of the Company beneficially owned an aggregate of 1,643,865 shares of common stock (approximately 1% of the outstanding shares entitled to vote at the time).

The table also presents the ownership of common units of Cheniere Partners and common shares of Cheniere Holdings owned of record or beneficially as of the Record Date by each director, nominee for director and named executive officer set forth in the Summary Compensation Table and by all current directors and executive officers of the Company as a group. The Company owns a majority interest in Cheniere Holdings and the general partner of Cheniere Partners. As of the Record Date, there were 348,619,292 common units, 135,383,831 subordinated units and 9,877,232 general partner units of Cheniere Partners outstanding and 231,700,000 common shares of Cheniere Holdings outstanding.

Name of Beneficial Owner	Cheniere Energy, Inc.		Cheniere Energy Partners, L.P.		Cheniere Energy Partners LP Holdings, LLC	
	Amount and Nature of Beneficial Ownership	Percent of Class	Amount and Nature of Beneficial Ownership	Percent of Class	Amount and Nature of Beneficial Ownership	Percent of Class
Jack A. Fusco	486,524 <sup>(1)</sup>	*				

Vicky A. Bailey	35,765	*		
G. Andrea Botta	43,534	*		
Nuno Brandolini	238,271 <sup>(2)</sup>	*	82,000	*
Jonathan Christodoro	6,427 <sup>(3)</sup>	*		
David I. Foley	33,671 <sup>(4)</sup>	*		
David B. Kilpatrick	94,729 <sup>(5)</sup>	*		
Andrew Langham	2,140	*		
John J. Lipinski	2,140	*		
Courtney R. Mather				
Samuel Merksamer	21,098 <sup>(6)</sup>	*		
Donald F. Robillard, Jr.	19,623	*		
Neal A. Shear	13,009	*		
Heather R. Zichal	11,351	*		
Michael J. Wortley	400,916 <sup>(7)</sup>	*		
Anatol Feygin	53,256 <sup>(8)</sup>	*		

Sean N. Markowitz	4,352 <sup>(9)</sup>	*		
Douglas D. Shanda	73,775 <sup>(10)</sup>	*	2,850	*
All directors and executive officers as a group (16 persons)	1,643,865	*	84,850	*

\* Less than 1%

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- (1) Does not include 104,109 unvested RSUs awarded to Mr. Fusco. Of the total shares reported, 154,378 shares are owned by Fusco Energy Investment LLP and may be deemed to be beneficially owned by Mr. Fusco as the General Partner thereof.
- (2) Includes 6,000 shares held by Mr. Brandolini's wife.
- (3) The number of shares set forth in this column is based on the Form 4 filed on May 22, 2017 for Mr. Christodoro. Mr. Christodoro resigned as a director on August 14, 2017 and is no longer required to report his holdings in the Company's securities pursuant to Section 16(a) of the Exchange Act.
- (4) Includes 8,542 shares of restricted stock granted on October 1, 2012, 6,429 shares of restricted stock granted on June 6, 2013, 6,000 shares of restricted stock granted on March 5, 2014, 2,162 shares of restricted stock granted on September 11, 2014, 2,490 shares of restricted stock granted on June 11, 2015, 5,584 shares of restricted stock granted on June 2, 2016 and 2,464 shares of restricted stock granted on May 18, 2017. Based on a Form 4 filed by Mr. Foley, he disclaims beneficial ownership of these securities. Mr. Foley is an employee of Blackstone and, pursuant to arrangements between Mr. Foley and Blackstone, is required to transfer to Blackstone any and all compensation received in connection with his directorship for any company Blackstone invests in or advises.
- (5) Includes 92,265 shares held by trust.
- (6) The number of shares set forth in this column is based on the Form 4 filed on May 22, 2017 for Mr. Merksamer. Mr. Merksamer resigned as a director on August 14, 2017 and is no longer required to report his holdings in the Company's securities pursuant to Section 16(a) of the Exchange Act.
- (7) Does not include 65,679 unvested RSUs awarded to Mr. Wortley.
- (8) Does not include 51,169 unvested RSUs awarded to Mr. Feygin.
- (9) Does not include 26,591 unvested RSUs awarded to Mr. Markowitz.
- (10) Does not include 41,591 unvested RSUs awarded to Mr. Shanda.

**Owners of More than Five Percent of Outstanding Stock**

The following table shows the beneficial owners known by us to own more than five percent of our voting stock as of the Record Date.

<b>Name and Address of Beneficial Owner</b>	<b>Common Stock</b>	
	<b>Amount and Nature of</b>	<b>Percent of Class</b>

**Beneficial  
Ownership**

Icahn Capital LP 767 Fifth Avenue, 47 <sup>th</sup> Floor New York, NY 10153	32,649,671 <sup>(1)</sup>	13.7%
The Baupost Group, L.L.C. 10 St. James Avenue, Suite 1700 Boston, MA 02116	20,726,340 <sup>(2)</sup>	8.7%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	17,475,435 <sup>(3)</sup>	7.4%
FMR LLC 245 Summer Street Boston, MA 02210	13,063,655 <sup>(4)</sup>	5.7%
Kensico Capital Management Corp. 55 Railroad Avenue, 2nd Floor Greenwich, CT 06830	12,241,100 <sup>(5)</sup>	5.2%

- (1) Information is based on a Schedule 13D/A filed with the SEC on December 7, 2015 by: (i) Icahn Capital LP; (ii) High River Limited Partnership; and (iii) Icahn Partners Master Fund LP. These entities are deemed to beneficially own 32,649,671 shares of common stock. High River Limited Partnership has sole voting power and sole dispositive power with regard to 6,529,935 shares. Each of Hopper Investments LLC, Barberry Corp. and Mr. Carl C. Icahn has shared voting power and shared dispositive power with regard to such shares. Icahn Partners Master Fund LP has sole voting power and sole dispositive power with regard to 10,719,782 Shares.

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Each of Icahn Offshore LP, Icahn Capital LP, IPH, Icahn Enterprises Holdings L.P., Icahn Enterprises G.P. Inc., Beckton Corp. and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares. Icahn Partners LP has sole voting power and sole dispositive power with regard to 15,399,954 Shares. Each of Icahn Onshore LP, Icahn Capital LP, IPH, Icahn Enterprises Holdings L.P., Icahn Enterprises G.P. Inc., Beckton Corp. and Mr. Icahn has shared voting power and shared dispositive power with regard to such Shares.

- (2) Information is based on a Schedule 13G/A filed with the SEC on February 13, 2018 by: (i) The Baupost Group, L.L.C.; (ii) Baupost Group GP, L.L.C.; and (iii) Seth A. Klarman. Each of these holders is deemed to beneficially own 20,726,340 shares of common stock. Each of these entities has shared power to vote and dispose of the shares beneficially owned.
- (3) Information is based on a Schedule 13G/A filed with the SEC on February 9, 2018 by The Vanguard Group. The Vanguard Group has sole voting power over 159,057 shares of common stock, shared voting power over 37,057 shares of common stock, sole dispositive power over 17,284,115 shares of common stock and shared dispositive power over 191,320 shares of common stock.
- (4) Information is based on a Schedule 13G filed with the SEC on February 13, 2018 by FMR LLC. FMR LLC has sole voting power over 298,249 shares of common stock and sole dispositive power over 13,603,655 shares of common stock.
- (5) Information is based on a Schedule 13G filed with the SEC on February 14, 2018 by (i) Kensico Capital Management Corp.; (ii) Michael Lowenstein; and (iii) Thomas J. Coleman. Each of these holders is deemed to beneficially own 12,241,100 shares of common stock. Each of these holders has shared power to vote and dispose of the shares beneficially owned.

All information provided in the **Owners of More than Five Percent of Outstanding Stock** table with respect to the above entities is based solely on information set forth in their respective Schedule 13D/A, Schedule 13G/A and Schedule 13G filings with the SEC, as applicable. This information may not be accurate or complete and Cheniere takes no responsibility therefor and makes no representation as to its accuracy or completeness.

**Table of Contents****COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis ( CD&A ) describes the material elements of the compensation of our Named Executive Officers ( NEOs ), including factors considered in making compensation decisions. Our NEOs for fiscal year 2017 were the following individuals:

<b>Name</b>	<b>Position</b>
Jack A. Fusco	Director, President and Chief Executive Officer
Michael J. Wortley	Executive Vice President and Chief Financial Officer
Anatol Feygin	Executive Vice President and Chief Commercial Officer
Sean N. Markowitz	General Counsel and Corporate Secretary
Douglas D. Shanda	Senior Vice President, Operations

This CD&A is organized as follows:

<u>Executive Summary</u>	page 29
<u>Executive Compensation Philosophy &amp; Objectives</u>	page 36
<u>Components of Our Executive Compensation Program</u>	page 36
<u>Executive Compensation Process</u>	page 45
<u>Other Considerations</u>	page 47
Executive Summary	

## About Our Business

Cheniere Energy, Inc. ( Cheniere ) is a market leader in the development and commercialization of liquefied natural gas ( LNG ) facilities in the United States. Our vision is to provide clean, secure and affordable energy to the world, while responsibly delivering a reliable, competitive and integrated source of LNG, in a safe and rewarding work environment.

We own and operate the Sabine Pass LNG terminal in Louisiana where we are developing, constructing and operating natural gas liquefaction facilities (the SPL Project ) adjacent to the existing regasification facilities. We are also developing and constructing a second natural gas liquefaction and export facility in Texas at the Corpus Christi LNG terminal (the CCL Project ).

Each terminal includes a number of planned liquefaction trains ( Trains ), which convert natural gas into LNG so that it can be transported more economically across long distances. Each train has an expected nominal production capacity, which is prior to adjusting for planned maintenance, production reliability and potential overdesign, of approximately 4.5 million tonnes per annum ( mtpa ) of LNG and an adjusted nominal production capacity of approximately 4.3 to 4.6 mtpa of LNG. For the SPL Project, we are developing up to six Trains. For the CCL Project, we are currently developing up to three Trains.

The following table summarizes the current overall project status of the SPL Project and CCL Project:

Liquefaction Train	SPL Project			CCL Project		
	Trains 1-3	Train 4	Train 5	Train 6	Trains 1-2	Train 3
<b>Project Status</b>	Operational	Operational	Under Construction	Permitted	Under Construction	Permitted
<b>Expected Substantial Completion</b>	Complete	Complete	1H 2019		T1 - 1H 2019	
<b>Expected DFCD Window Start</b>	Complete	Complete	2H 2019		T1 - 1H 2019	T2 - 2H 2019
					T2 - 1H 2020	

A final investment decision for Train 3 of the CCL Project is expected upon obtaining financing. A final investment decision for Train 6 of the SPL Project is expected upon commercialization, obtaining financing and entry into an engineering, procurement and construction ( EPC ) contract.

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### ***First Mover in U.S. LNG Exports***

Trains 1 through 4 of the SPL Project were the first liquefaction facilities to have been constructed and placed in service in the U.S. in over 40 years. We are currently the largest LNG exporter in the U.S. and expect to be one of the top five LNG sellers in the world by 2020, representing approximately ten percent of the global LNG market. As of the end of 2017, there were four LNG projects under construction in North America other than Cheniere's SPL Project and CCL Project. Additionally, there are approximately 30 LNG projects in the region that have started the regulatory process for LNG exports. Outside of North America, we estimate that over 35 LNG production projects are under various stages of development.

### ***Liquefaction Projects Underpinned with Long-Term 20-Year Contracts***

We have entered into long-term sale and purchase agreements ( SPAs ) between the respective project level subsidiary and third parties with fixed fees of approximately \$4.3 billion annually to make available an aggregate amount of LNG that is between approximately 85% to 95% of the expected aggregate adjusted nominal production capacity of the seven Trains under construction or completed. All of these SPAs have been entered into with investment grade parent companies as counterparties or guarantors and do not have price reopeners. Revenue generally will commence under these SPAs as each applicable Train reaches the date of first commercial delivery ( DFCD ).

Under these SPAs, the customers will purchase LNG for a price consisting of a fixed fee per MMBtu of LNG (a portion of which is subject to annual adjustment for inflation) plus a variable fee per MMBtu of LNG equal to approximately 115% of Henry Hub. In certain circumstances, the customers may elect to cancel or suspend deliveries of LNG cargoes, in which case the customers would still be required to pay the fixed fee with respect to the contracted volumes that are not delivered as a result of such cancellation or suspension. As a result, we expect to generate a significant amount of predictable, stable cash flows annually, over the lives of the contracts.

For the volumes not contracted by our project level subsidiaries under long-term SPAs, we have an integrated marketing function that is expected to have access to the excess LNG available from the seven Trains under construction or completed at the SPL and CCL Projects and is developing a portfolio of long-, medium- and short-term SPAs. Cheniere Marketing, LLC (together with its subsidiaries, Cheniere Marketing ) has purchased LNG from the Sabine Pass terminal and other locations worldwide, transported and unloaded commercial LNG cargoes and has capitalized on opportunities to optimize its portfolio of assets with the intention of maximizing margins on these cargoes.

Our management team creates value for our shareholders through diligent development (including commercialization), construction and operation of these facilities, the achievement of ambitious key milestones and disciplined capital allocation. The Compensation Committee (the Compensation Committee ) of the Board of Directors (the Board ) of the Company considers progress against these goals when it designs Cheniere's executive compensation program for our NEOs.

### **2017 Performance and Developments**

2017 was a breakthrough year for Cheniere. We achieved significant milestones throughout the organization, including financially, operationally and commercially:

***Financial***

For full year 2017, we achieved Consolidated Adjusted EBITDA of \$1.8 billion, which exceeded the stretch performance level under our Annual Incentive Program scorecard. For a definition of Consolidated Adjusted EBITDA and a reconciliation of this non-GAAP measure to net income, the most directly comparable GAAP financial measure, please see Appendix C.

In June 2017, the DFCD was reached under the 20-year Sale and Purchase Agreement ( SPA ) with Korea Gas Corporation relating to Train 3 of the SPL Project.

In August 2017, the DFCD relating to Train 2 of the SPL Project was reached under the respective 20-year SPAs with Gas Natural Fenosa LNG GOM, Limited and BG Gulf Coast LNG, LLC.

Subsequent to 2017, the DFCD relating to Train 4 of the SPL Project was reached under the 20-year SPA with GAIL (India) Limited.

***Operations***

We achieved substantial completion of Train 3 and Train 4 of the SPL Project in March 2017 and October 2017, respectively, each of which was ahead of the targeted completion date, meeting the stretch performance level under the Annual Incentive Program scorecard.

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In 2017, over 200 LNG cargoes were produced, loaded and exported from the SPL Project, with deliveries completed to 25 countries and regions worldwide.

***Strategic/Commercial***

We took several steps to advance the commercialization and development of Train 3 at the CCL Project and progress toward a final investment decision, including:

In December 2017, we entered into an amended and restated EPC contract with Bechtel Oil, Gas and Chemicals, Inc. for Train 3 of the CCL Project. We also issued limited notice to proceed to Bechtel, and procurement and early site work has commenced.

In 2017, we made significant progress on potential long-term contracting of LNG, ultimately leading to SPAs signed in 2018:

In January 2018, we entered into a 15-year SPA with Trafigura Pte Ltd for the sale of approximately 1.0 mtpa of LNG beginning in 2019.

In February 2018, we entered into two SPAs with PetroChina International Company Limited, a subsidiary of China National Petroleum Corporation, for the sale of approximately 1.2 mtpa of LNG through 2043, with a portion of the supply beginning in 2018 and the balance beginning in 2023.

The development and construction of the SPL and CCL Projects advanced as planned and remained ahead of schedule in 2017. As we continue to develop these projects and increase LNG production, Cheniere will continue its transition into an LNG operator with expected stable and growing positive cash flow underpinned by long-term SPAs with investment grade energy companies worldwide. The below graph shows our historical revenue growth from 2015 through 2017:

As Cheniere transforms from a development company into an LNG operator, we intend to create and sustain shareholder value while continuing to explore more focused growth initiatives. Cheniere has established itself as a first mover in the domestic LNG export market and is well positioned to become a significant player in the global LNG market.

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We believe that the excellent progress we have made in the development, construction and operation of our LNG facilities and the governance enhancements that we have implemented are some of the primary reasons our stock price has outperformed the S&P 500 Index by approximately 80% over the past five years ending December 31, 2017 as shown in the chart below.

### **Total Return vs. S&P 500**

## Shareholder Outreach Compensation

The Company has been involved in extensive discussions with shareholders during the past several years regarding compensation matters, and the evolution of our compensation program design is a product of the Board's responsiveness to shareholder input.

Ahead of our 2017 Annual Meeting, members of our Board and management reached out to, and had extensive dialogue with, shareholders representing more than 50% of our outstanding common stock, through both in person and telephonic meetings. At our 2017 Annual Meeting, our say-on-pay proposal received support from shareholders owning approximately 81% of the shares represented at the meeting and entitled to vote on the matter. Although there has been significant improvement in the Company's say-on-pay votes recently, the Board recognizes the need to continually engage with our shareholders and consider any shareholder concerns with our compensation program and governance framework.

Following our 2017 Annual Meeting, we engaged with shareholders holding more than 50% of our outstanding common stock, and we intend to continue our shareholder outreach efforts going forward.

At the 2017 Special Meeting, our proposal related to the issuance of awards with respect to 7.8 million shares of common stock available for issuance under the 2011 Plan was approved by approximately 85% of the shares present and entitled to vote on the matter. This approval facilitates the implementation of our new compensation program design, described later in this CD&A.

### ***Key Themes from Our Shareholder Outreach***

Many of our shareholders have different methodologies and processes for evaluating compensation programs. However, a number of common themes emerged about what shareholders would value in Cheniere's compensation program, including:

**Request for consistent, competitive and conventional pay arrangements.** Several of our shareholders expressed a desire for the Company to put in place regular, annual compensation programs that are more consistent with

market practices than the compensation programs in place prior to 2017.

**Request for objective metrics in the annual bonus plan.** Many of our shareholders expressed a preference for the Company to have more pre-established, objective bonus criteria to measure performance against various metrics.

**Request for at-risk performance criteria in long-term incentive awards.** Many of our shareholders expressed a preference for the Company to include measurable performance criteria as an element of the Company's long-term incentive plan.

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These meetings with our shareholders were immensely valuable to the Board and management, and we have acted on many of the compensation changes discussed at these meetings. The specific changes to our compensation program that further align it to our business strategy and shareholders' interests are detailed in this CD&A. We will continue to evaluate our compensation programs and incorporate shareholder outreach as a standard business practice in the future. We are committed to maintaining an open dialogue with our shareholders to ensure the successful evolution of our executive compensation program going forward.

***Actions Taken as a Result of Shareholder Outreach***

Management, the Board and the Compensation Committee initiated several changes stemming from the recent shareholder engagement discussions and the Company's shareholder voting history regarding compensation:

<b>Action Taken</b>	<b>Description</b>
<b>Implemented a more consistent, competitive and conventional total compensation philosophy</b>	<p>In 2016, Cheniere re-evaluated its prevailing compensation philosophy and program, with the intent to transition the program to a more consistent, competitive and conventional structure. Beginning in 2017, the compensation program features:</p> <ul style="list-style-type: none"> <li>Market-competitive base compensation opportunities tied to Company and individual performance</li> <li>Annual cash bonus incentive compensation tied to specific financial, operating, construction, safety and strategic performance objectives</li> <li>Annual long-term incentive opportunities with portions tied to specific financial performance and growth objectives</li> <li>Equity-based compensation that delivers annual, market-competitive opportunities within common norms of shareholder dilution and value creation</li> </ul> <p>At the end of 2016, Cheniere replaced the Company's 2008 Change of Control Cash Payment Plan and individual Change of Control Agreements with new, market-competitive plans that provide balanced and equitable terms and provisions</p>
<b>Implemented a performance scorecard to determine 2017</b>	<p>In December 2016, the Compensation Committee approved a performance scorecard for the 2017 fiscal year that ties individual bonus targets to competitive benchmarks.</p>

**annual cash bonuses that will be updated annually**

The scorecard provides that 80% of the bonus opportunity will be determined based on quantitative performance measures using multiple financial, operating, construction, safety and strategic performance measures, and 20% will be determined based on achievement of strategic goals and organizational accomplishments.

In February 2018, the Compensation Committee approved an annual performance scorecard for the 2018 fiscal year using similar metrics.

**Terminated the Cheniere Energy, Inc. 2014-2018 Long-Term Cash Incentive Program and implemented a new annual long-term incentive program that includes measurable performance criteria**

On October 31, 2016, the Board terminated the 2014-2018 Long-Term Cash Incentive Program (the 2014-2018 LTIP ) in order to implement a new long-term incentive award program beginning in 2017.

In February 2017, the Compensation Committee recommended and the Board approved the parameters of an annual long-term incentive plan (the LTI program ) that features annual equity grants to all employees with multi-year vesting. Cheniere s LTI program aligns our NEOs interests with the interests of shareholders by rewarding long-term value creation and incentivizes management with long-term performance goals tied to multi-year financial and growth objectives.

In February 2017, the Compensation Committee recommended and the Board approved awards for 2017 under the LTI program (the 2017 LTI Awards ).

In February 2018, the Compensation Committee recommended and the Board approved awards for 2018 under the LTI program (the 2018 LTI Awards ).

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2017 Compensation Design

As we continue to transition from a development company into an LNG operator, the Compensation Committee is focused on evaluating the components of our executive compensation program and ensuring that we continue to implement a performance-based compensation structure that is strongly aligned with the interests of our shareholders and incentivizes management to achieve long-term performance goals.

In 2016, Cheniere re-evaluated its prevailing compensation philosophy and program, with the intent to transition the program to a more consistent, competitive and conventional structure. Beginning in 2017, the compensation program features:

Market-competitive base compensation opportunities tied to Company and individual performance

Annual cash bonus incentive compensation opportunities tied to specific financial, operating, construction, safety and strategic performance objectives

Annual long-term incentive opportunities with portions tied to specific financial performance and growth objectives

Equity-based compensation that delivers annual, market-competitive opportunities within common norms of shareholder dilution and value creation

The Compensation Committee approved this new framework with input from Meridian Compensation Partners, its independent compensation consultant. The Compensation Committee continues to evaluate further refinement to the compensation program.

In 2017, direct compensation was comprised of the following components:

Base Salary;

Annual Incentive Award; and

Long-Term Incentive Awards.

The following pie charts illustrate the pay mix of our CEO and other NEOs assuming target performance.

\* CEO Mix does not add to 100% due to rounding.

***Base Salary***

The Compensation Committee referenced competitive ranges of base salary across midstream natural gas companies and companies of comparable enterprise value in determining 2017 base salaries for our NEOs. See [Peer Group and Benchmarking](#) on page 46 of this Proxy Statement for details regarding the external market data referenced by the Compensation Committee in making decisions regarding 2017 base salaries and other compensation elements. Our employment agreement with Mr. Fusco provides for an annual base salary of \$1,250,000, subject to increase at the discretion of the Compensation Committee. The Compensation Committee did not increase Mr. Fusco's base salary for 2017 from the level set forth in his employment agreement.

***Annual Incentive Award***

Beginning in 2017, the Compensation Committee implemented a scorecard approach to determine annual cash bonuses. The scorecard provides that 80% of the bonus opportunity will be determined based on quantitative performance

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measures using multiple financial, operating, construction, safety and strategic performance measures, and 20% will be determined based upon achievement of strategic goals and organizational accomplishments.

The following key features are included in the scorecard:

- Individual bonus targets based on competitive benchmarks;
- Quantitative performance goals in the following areas of performance: financial, operating, construction, safety and strategic; and
- Limited qualitative component based on identified strategic goals and organizational accomplishments.

In February 2018, the Compensation Committee approved the payment of individual NEO bonuses for 2017. See Annual Incentive Program on page 37 of this Proxy Statement for additional details regarding the 2017 bonuses, including our performance relative to our quantitative performance measures and our achievement of strategic goals and organizational accomplishments.

### ***Long-Term Incentive Awards***

#### **Components of the LTI Program**

The Compensation Committee believes that the LTI program that was implemented in 2017, which provides for annual equity-based awards, is a critical element of the Company's new compensation philosophy and strategy. Equity grants align our NEOs' interests with the interests of shareholders by rewarding long-term value creation. These grants enable us to attract and retain highly qualified individuals for important positions throughout the Company.

The Compensation Committee implemented the following key attributes in its LTI program beginning in 2017:

Grants will be made on an annual basis with a minimum of a 1-year vesting period

Grants will consist of a mix of at least 50% Performance Share Units ( PSUs ) for executive officers with the remainder consisting of Restricted Stock Units ( RSUs )

PSUs: 3-year cliff vesting, subject to performance and continued service except in certain circumstances (performance and service-based)

RSUs: 3-year ratable vesting, subject to continued service except in certain circumstances (service-based)

PSUs will include one or more performance metrics, with the actual number of shares earned to be between 50% and 200% of the target number if the threshold performance is met, providing for a more customary cap on payouts

PSUs will vest upon certification by the Compensation Committee of the level of achievement of the performance condition during the performance period

Grants will be settled in Cheniere shares

Equity award grants to executives will include clawback provisions

#### **Train 3 Milestone Awards**

In addition, in 2017 the Compensation Committee approved an additional performance-based compensation component intended to motivate and reward the timely achievement of significant growth milestones as further described under Long-term Incentive Awards Train 3 Milestone Awards on page 41. The Compensation Committee believes that the timely achievement of such milestones is critical to Cheniere's strategic plan and would result in the creation of significant additional value for shareholders.

***Compensatory Arrangements***

In connection with the appointment of Jack A. Fusco as President and Chief Executive Officer ( CEO ), the Company and Mr. Fusco entered into an employment agreement dated as of May 12, 2016. Mr. Fusco's compensation structure aligns with the underlying principles of our executive compensation program for our other NEOs. Please see Compensatory Arrangement with President and CEO on page 42 of this Proxy Statement.

Compensation Governance Practices

The Board and the Compensation Committee are committed to implementing compensation governance best practices that further strengthen the alignment of our compensation program with our shareholders' interests, which include the following:

Clear, direct link between pay and performance

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Majority of incentive awards earned based on performance

No hedging or short sales of Company stock

No pledging of Company stock as collateral for a loan or holding Company stock in margin accounts

Robust stock ownership guidelines

No defined benefit retirement plan or supplemental executive retirement plan

Robust compensation risk management program  
Executive Compensation Philosophy & Objectives

Philosophy and Objectives

In late 2016, the Board and Compensation Committee committed to transition our compensation program under a more consistent, competitive and conventional total compensation philosophy, including equity-based long-term incentive opportunities tied to financial and growth objectives. The Board and the Compensation Committee remain committed to a pay-for-performance compensation structure that aligns our executive compensation with the key drivers of long-term growth and creation of shareholder value. Our executive compensation programs and objectives are designed to ensure that we attract, retain and motivate executives with the talent and experience necessary for us to achieve our strategic business plan.

As the first mover in our industry, we face fierce competition for our executive officers and key employees throughout the organization, and we seek to hire the highest caliber executives available in the global LNG marketplace.

**Annual and long-term incentive awards are primarily performance-based.** We believe such an incentive structure creates appropriate motivation for our executive officers and aligns their compensation with the performance of our Company and value created for shareholders. We will continue to balance our LTI program to address performance accountability, long-term stock ownership and talent retention issues in the current environment.

**Annual cash bonus incentive metrics are tied to specific financial, operating, construction, safety and strategic goals.** We believe close alignment between our compensation goals and our business strategy is critical to driving performance to be measured against our key milestones and metrics.

**Significant long-term compensation is linked to financial performance and growth metrics.** We believe our executive officers' compensation should be tightly linked to the creation of value for our shareholders over the long run. As such, the majority of their compensation is and should be at risk and directly tied to corporate outperformance over longer time horizons.

Components of Our Executive Compensation Program

Base Salary

Base salaries provide the fixed compensation necessary to attract and retain key executives. The base salaries of our NEOs are designed to be comparable to positions in the marketplace from which we recruit executive talent. The Compensation Committee referenced competitive ranges of base salary across midstream natural gas companies and companies of comparable enterprise value in determining 2017 base salaries for our NEOs.

In February 2018, the Compensation Committee reviewed the base salaries of our NEOs, and the Compensation Committee recommended and the Board approved changes in the annual base salaries of our NEOs, effective March 5, 2018. The following table provides the base salaries for 2017 and 2018 of our NEOs.

**2017 and 2018 Base Salaries**

**2017 Annual**

**Base Salary      2018 Annual**