Ally Financial Inc.
Form DEF 14A
March 22, 2017

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 þ Filed by a Party other than the Registrant o
Check the appropriate box:
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o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12
Ally Financial Inc.
(Name of Registrant as Specified In Its Charter)

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March 22, 2017

Dear Fellow Stockholders:

We are pleased to invite you to Ally Financial Inc.'s 2017 Annual Meeting of Stockholders. The meeting will be held at the Waterview Loft, 130 E. Atwater Street, Detroit, Michigan 48226, on May 2, 2017, at 9:00 a.m., Eastern Daylight Time.

We use the internet as our primary means of furnishing proxy materials to our stockholders, including the notice and proxy statement, a proxy card and our 2016 annual report. Your vote is very important. The notice and proxy statement contain important information about proxy voting and the business to be conducted at the meeting. Whether or not you plan to attend the meeting, please vote as promptly as possible to make sure your vote is counted. Every stockholder vote is important and we want to ensure your shares are represented at the meeting.

Thank you for your continued support of Ally Financial Inc.

Sincerely,

Jeffrey J. Brown

Chief Executive Officer

NOTICE OF ANNUAL MEETING

DATE	Tuesday, May 2, 2017
TIME	9:00 a.m. Eastern Daylight Time
LOCATION	Waterview Loft 130 E. Atwater Street Detroit, Michigan 48226
MATTERS TO BE VOTED ON	1 Election of directors
	2 Advisory vote on executive compensation
	3 Approval of the Ally Financial Inc. Incentive Compensation Plan, amended and restated effective as of May 2, 2017
	4 Approval of the Ally Financial Inc. Non-Employee Directors Equity Compensation Plan, amended and restated effective as of May 2, 2017
	5 Approval of the Ally Financial Inc. Executive Performance Plan, amended and restated effective as of January 1, 2018
	6 Ratification of the Audit Committee's engagement of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2017
	7 Such other business as may properly come before the meeting or any adjournment of the meeting

Jeffrey A. Belisle
Corporate Secretary
March 22, 2017

Only stockholders of record at the close of business on March 9, 2017, the record date fixed by the Board of Directors of the Company, will be entitled to notice of and to vote at the meeting or any adjournment thereof. A list of all stockholders of record entitled to vote is on file at the principal executive office of the Company located at 500 Woodward Avenue, MC: MI-01-10-CORPSEC, Detroit, Michigan 48226.

We use the internet as our primary means of furnishing proxy materials to our stockholders, including the notice and proxy statement, a proxy card and our 2016 annual report. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a notice with instructions for accessing the proxy materials and voting via the internet. The notice also will provide information on how stockholders may obtain paper copies of our proxy materials if they so choose. Internet transmission and voting are designed to be efficient, minimize cost and conserve natural resources.

Voting procedures are described in the proxy statement. No stockholder has a dissenter's right of appraisal or similar right in connection with any of the proposals. If you wish to attend the meeting in person, you will need to request an admission ticket in advance by following the instructions set forth on page 2 of the proxy statement and otherwise satisfy the eligibility criteria described there.

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PROXY STATEMENT

GENERAL INFORMATION ABOUT THE ANNUAL MEETING, THESE PROXY MATERIALS, AND VOTING YOUR SHARES

SOLICITATION

The solicitation of your proxy is made on behalf of the Board of Directors of Ally Financial Inc. (Board) for use at our 2017 annual meeting of stockholders to be held on May 2, 2017, and any adjournment of the meeting (Annual Meeting). References in this proxy statement to we, us, our, the Company, and Ally refer to Ally Financial Inc. and its consolidated subsidiaries unless the context requires otherwise.

This proxy statement and the related form of proxy will first be sent or given on or about March 22, 2017, to the stockholders of record of our common stock at the close of business on March 9, 2017 (record date). This proxy statement and our annual report for the year ended December 31, 2016, also will first be made available on our website at www.ally.com/about/investor/sec-filings/, free of charge, at or about the same time.

The complete mailing address of the Company's principal executive office is 500 Woodward Avenue, MC: MI-01-10-CORPSEC, Detroit, Michigan 48226. The Annual Meeting will be held at Waterview Loft, 130 E. Atwater Street, Detroit, Michigan 48226.

ELECTRONIC AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 2, 2017. This proxy statement, our annual report to stockholders for fiscal year 2016, and our Form 10-K for fiscal year 2016 are available electronically at www.proxyvote.com/ally.

VOTING RIGHTS AND PROCEDURES

Stockholders of record at the close of business on the record date may vote at the Annual Meeting. As of the record date, 464,200,147 shares of our common stock were issued and outstanding and, therefore, eligible to be voted at the Annual Meeting. Only one class of our common stock exists, and each share is entitled to one vote.

Stockholders of record or record holders have shares of our common stock registered in their names with our transfer agent, Computershare Trust Company. Beneficial owners, in contrast, own shares of our common stock that are held in "street name" through a broker, bank, or other nominee. Beneficial owners generally cannot vote their shares directly and must instead instruct their brokers, banks, or other nominees how to vote the shares. If you are a beneficial owner of our common stock, your proxy is being solicited through your broker, bank, or other nominee.

You may vote FOR, AGAINST, or ABSTAIN on each of the six proposals. The Board recommends that you vote as follows:

- Proposal 1 - FOR the election of each of the 11 nominees to our Board.
- Proposal 2 - FOR the advisory resolution approving the compensation paid to our named executive officers.
- Proposal 3 - FOR the approval of the Ally Financial Inc. Incentive Compensation Plan, amended and restated effective as of May 2, 2017 (Incentive Plan).
- Proposal 4 - FOR the approval of the Ally Financial Inc. Non-Employee Directors Equity Compensation Plan, amended and restated effective as of May 2, 2017 (Directors Plan).
- Proposal 5 - FOR the approval of the Ally Financial Inc. Executive Performance Plan, amended and restated effective as of January 1, 2018 (Performance Plan).
- Proposal 6 - FOR the ratification of the Audit Committee's engagement of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2017.

When this proxy statement was printed, we did not know of any matter to be presented at the Annual Meeting other than these six proposals. If any other matter may be properly considered at the Annual Meeting, your proxy can exercise discretion in voting your shares on the matter. We do not anticipate that any other matter will be presented at the Annual Meeting.

We expect that the election of directors in Proposal 1 will be uncontested—that is, an election where the number of properly nominated director candidates does not exceed the number of directors to be elected. In that case, each director will be elected by a majority of the votes cast with respect to the director. This means that the number of votes cast FOR a director nominee must exceed the number of votes cast AGAINST that director nominee. In an uncontested election of directors, our director

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resignation policy will apply as described further in Proposal 1. Voting ABSTAIN on Proposal 1 in an uncontested election will have no effect on the outcome.

If the election of directors in Proposal 1 unexpectedly becomes contested—that is, an election where the number of properly nominated director candidates exceeds the number of directors to be elected—plurality voting will apply. This means that the seats on the Board will be filled by the director nominees who receive the highest number of FOR votes. Voting AGAINST or ABSTAIN in a contested election will have no effect on the outcome.

For each of Proposals 2 through 6, a FOR vote from a majority of the outstanding shares present in person or represented by proxy and entitled to vote on the proposal will be required for approval. Voting ABSTAIN on any of Proposals 2 through 6 will have the same effect as voting AGAINST.

We strongly encourage all stockholders to submit their votes in advance of the Annual Meeting, even if you are planning to attend in person.

If you are a record holder, you may vote your shares (1) through the internet, (2) by telephone, (3) by completing, signing, dating, and returning your proxy card in the provided envelope, or (4) in person by ballot at the Annual Meeting. Other proxy materials that you receive together with this proxy statement contain the website address and the telephone number for internet or telephone voting. Internet or telephone votes must be received by 11:59 p.m. EDT on May 1, 2017, in order to be counted. Completed, signed, and dated proxy cards must be received prior to the Annual Meeting in order to be counted. If you as a record holder submit a valid proxy prior to the Annual Meeting but do not provide voting instructions, your shares will be voted according to the recommendations of the Board described earlier in this section.

If you are a beneficial owner, you may not vote your shares directly but instead may instruct your broker, bank, or other nominee how to vote your shares. You should receive materials from your broker, bank, or other nominee with directions on how to provide voting instructions. Those materials also will identify the time by which your broker, bank, or other nominee must receive your voting instructions. The availability of internet or telephone voting will depend on the processes adopted by your broker, bank, or other nominee. If you want to vote your shares in person at the Annual Meeting, you will need to obtain a legally enforceable proxy from your broker, bank, or other nominee in advance and present that proxy to the inspectors of election together with a valid form of government-issued photo identification (such as a driver’s license or passport). For Proposals 1 through 5, if you are a beneficial owner of shares, your broker, bank, or other nominee is not permitted to vote your shares if no instruction is received from you. For Proposal 6, your broker, bank, or other nominee can exercise discretion in voting your shares if no instruction is received from you.

You may revoke or change your proxy at any time before the vote is taken at the Annual Meeting. If you are a record holder, you may revoke or change your proxy by (1) executing and delivering a later-dated proxy for the same shares in compliance with the requirements described in this proxy statement, (2) voting the same shares again over the internet or telephone by 11:59 p.m. EDT on May 1, 2017, (3) voting a ballot at the Annual Meeting, or (4) notifying the Secretary of your revocation of the proxy prior to the Annual Meeting. If you are a beneficial owner, you must follow the directions provided to you by your broker, bank, or other nominee. Any beneficial owner of shares who wants to revoke a proxy at the Annual Meeting will need to present to the inspectors of election a legally enforceable proxy from the broker, bank, or other nominee indicating that the person is the beneficial owner of the shares together with a valid form of government-issued photo identification (such as a driver’s license or passport).

We will pay the costs of preparing the proxy materials and soliciting proxies, including the reasonable charges and expenses of brokers, banks, and other nominees for forwarding proxy materials to beneficial owners and updating proxy cards and directions. In addition to our solicitation of proxies, your proxy may be solicited by telephone, facsimile, internet, or e-mail or in person by directors, officers, or regular employees of Ally or its affiliates who will receive no additional compensation for doing so.

MEETING ADMISSION

Attendance at the Annual Meeting will be limited to stockholders of record or their proxies, beneficial owners of our common stock, and our guests. Record holders and beneficial owners must request an admission ticket in advance by visiting www.proxyvote.com/ally and following the instructions provided, which will require the 12-digit number included on your proxy card or voting instructions. Requests for admission tickets will be processed in the order in which they are received and must be requested no later than April 28, 2017. On the day of the meeting, each stockholder, beneficial owner, or guest may be required to present a valid form of government-issued photo identification, such as a driver's license or passport, to gain admittance.

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CAUTIONARY NOTICE ABOUT FORWARD-LOOKING STATEMENTS AND OTHER TERMS

This proxy statement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “believe,” “expect,” “anticipate,” “intend,” “pursue,” “seek,” “continue,” “estimate,” “project,” “outlook,” “forecast,” “potential,” “target,” “objective,” “trend,” “plan,” “goal,” “initiative,” words of comparable meaning or future-tense or conditional verbs such as “may,” “will,” “should,” “would,” or “could.” Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, or results. All forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Actual future objectives, strategies, plans, prospects, performance, conditions, or results may differ materially from those set forth in any forward-looking statement. Some of the factors that may cause actual results or other future events or circumstances to differ from those in forward-looking statements are described in our Annual Report on Form 10-K for the year ended December 31, 2016, our subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, or other applicable documents that are filed or furnished with the SEC. Any forward-looking statement made by us or on our behalf speaks only as of the date that it was made. We do not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except as required by applicable securities laws. You, however, should consult further disclosures (including disclosures of a forward-looking nature) that we may make in any subsequent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K, or other applicable document that is filed or furnished with the SEC.

Our use of the term “loans” describes all of the products associated with our direct and indirect lending activities. The specific products include loans, retail installment sales contracts, lines of credit, leases, and other financing products. The term “lend” or “originate” refers to our direct origination of loans or our purchase or acquisition of loans.

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CORPORATE GOVERNANCE AND DIRECTOR COMPENSATION

PROPOSAL 1 — ELECTION OF DIRECTORS

The Board currently has 11 seats. The Board believes that this size is appropriate based on its assessment of the need for particular talents or other qualities, the benefits associated with a diversity of perspectives and backgrounds, the availability of qualified candidates, the workloads and needs of the Board's committees, and other relevant factors. All seats on the Board are up for election annually.

The Compensation, Nominating, and Governance Committee (CNGC) has recommended, and the Board has nominated, the following slate of 11 director candidates for election at the Annual Meeting to hold office until the next annual meeting of stockholders in 2018. This slate comprises all of the current directors of the Company. Each has agreed to be nominated and named in this proxy statement and to serve if elected.

Nominee/Principal Occupation	Age	Director Since	Independent	Audit Committee	Risk and Compliance Committee	Digital Transformation Committee (a)	CNGC
Franklin W. Hobbs Former Chairman, UBS AG' s Warburg Dillon Read & Co.	69	2009	Yes				
Kenneth J. Bacon Former Executive Officer, Fannie Mae	62	2015	Yes				
Robert T. Blakely Former EVP & CFO, Fannie Mae	75	2009	Yes	Chair			
Maureen A. Breakiron-Evans Former CFO, Towers Perrin	62	2015	Yes				
William H. Cary (b) Former Executive Officer, General Electric	57	2016	Yes				
Mayree C. Clark Former Executive Officer, Morgan Stanley	60	2009	Yes		Chair		
Kim S. Fennebresque Former Chairman and CEO, Cowen Group, Inc.	67	2009	Yes				Chair
Marjorie Magner Former Executive, Citigroup	67	2010	Yes				
John J. Stack Former Chairman and CEO, Ceska Sporitelna, A.S.	70	2014	Yes				
Michael F. Steib Current CEO,	40	2015	Yes			Chair	

XO Group, Inc.							
Jeffrey J. Brown Current CEO, Ally Financial Inc.	44	2015	No				
Number of meetings in 2016				11	6	3	10

(a) The Digital Transformation Committee was established in May 2016.
(b) Mr. Cary was appointed to the Audit Committee in July 2016.

Pursuant to the Board’s Governance Guidelines (Governance Guidelines), directors may not be re-elected to the Board after reaching age 75, unless the Board waives this requirement. Mr. Blakely turned 75 in 2016. Upon consideration of Mr. Blakely’s experience and his contributions to the Board, and in particular his leadership on the Audit Committee (AC) and the need for an effective transition of that role, the Board has waived the age requirement and nominated him for election at the Annual Meeting to serve an additional one-year term.

We expect that this will be an uncontested election of directors—that is, an election where the number of properly nominated director candidates does not exceed the number of directors to be elected. In that case, under our Bylaws, each director will be elected by a majority of the votes cast with respect to the director. A “majority of the votes cast” means that the number of shares voted FOR a director nominee must exceed the number of shares voted AGAINST that director nominee.

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Voting ABSTAIN in an uncontested election will have no effect on the outcome. The Company has adopted a director resignation policy providing that, if an incumbent director nominee fails to receive a majority of the votes cast in an uncontested election, the director must promptly tender a notice of resignation to the Company's Chief Executive Officer (CEO) or Secretary, which will become effective only upon acceptance by the Board. The CEO or the Secretary, as applicable, will relay a copy of the notice to the Chair of the Board and the Chair of the CNGC. The CNGC will make a recommendation to the Board as to whether the resignation should be accepted or rejected or whether other action should be taken. The affected director will not take part in any deliberations or actions of the CNGC or the Board relating to the resignation. Within 90 days following certification of the election results, the Board will act on the resignation, taking into account the CNGC's recommendation and any other information judged by the Board to be relevant, and publicly disclose its decision in a filing with the SEC. If the Board rejects the director's resignation, under Delaware law, the director will continue to serve on the Board. If the Board accepts the director's resignation, the Board may fill the resulting vacancy or may reduce the size of the Board.

If the election of directors unexpectedly becomes contested—that is, an election where the number of properly nominated director candidates exceeds the number of directors to be elected—plurality voting will apply under our Bylaws. "Plurality voting" means that the seats on the Board will be filled by the director nominees who receive the highest number of FOR votes. Voting AGAINST or ABSTAIN in a contested election will have no effect on the outcome.

No cumulative voting rights exist in this election. If you are a beneficial owner of shares, your broker, bank, or other nominee is not permitted to vote your shares on this matter if no instruction is received from you.

We do not anticipate that any nominee will become unavailable for election. If that were to happen for any reason, however, the shares represented by proxies and voting for a nominee who unexpectedly becomes unavailable will be voted instead for a substitute candidate nominated by the Board, unless the Board elects to reduce its size.

The Board recommends that stockholders vote FOR the election of each of the 11 nominees to our Board.

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DIRECTOR QUALIFICATIONS AND RESPONSIBILITIES

The Board recognizes that it is important for the Company's directors to possess a diverse array of backgrounds and skills, whether in terms of education, business acumen, accounting and financial expertise, risk-management experience, or experience with other organizations. When considering director candidates, the CNGC and the Board take into account these factors as well as other characteristics that, in their judgment, will contribute in a meaningful way to increasing the fundamental value of Ally and creating long-term value for stockholders. These characteristics include independence, the ability to provide guidance on Ally's risk profile and effective challenge on Ally's strategy in the context of its risk profile, the ability to make independent and disinterested decisions in the balanced and best interests of Ally's stockholders as a whole, the ability and willingness to devote sufficient time and attention to Ally, personal and professional integrity, honesty, ethics, values, and the candidate's overall fit within the existing mix of director characteristics. In addition, the CNGC and the Board consider diversity in the characteristics of director candidates, including each candidate's perspective and background, with the ultimate aim of enhancing the Board's ability to perform its oversight function most effectively.

In their consideration of director candidates, the CNGC and the Board also take into account the Board's responsibility to provide direction and oversight for the Company's business and affairs. In its oversight role, the Board's primary responsibilities include the following:

- providing general direction, guidance, and effective challenge on Ally's strategy in the context of its risk profile, including reviewing strategic, business, and financial objectives and plans and monitoring performance against all of them;
- selecting the CEO, and through the CNGC, setting goals and compensation for, and evaluating the performance of, the CEO and other identified senior executives and overseeing compensation policies relative to risks and applicable law;
- developing, approving, and implementing, through the CNGC, succession plans for the CEO and other identified senior executives;
- understanding Ally's risk profile, risk appetites, and enterprise-wide risk-management program and receiving reports on significant risk-management matters from the Risk and Compliance Committee (RCC);
- understanding Ally's financial statements and, through the AC, monitoring the integrity of Ally's financial statements and financial-reporting process and the adequacy of its financial and other internal controls, including disclosure controls and procedures;
- requiring and reviewing effective compliance systems and policies for ethical and legal conduct, including procedures for confidential, anonymous, and non-retaliatory reporting of unethical or illegal behavior; and
- establishing the proper "tone at the top" by setting clear expectations for Ally's ethical behavior and compliance with applicable law, including monitoring management's promotion of integrity, honesty, and ethical and legal conduct throughout Ally.

The CNGC and the Board are dedicated to assembling directors who excel in fulfilling these responsibilities, exercise independent leadership and oversight of management, and operate in a cohesive and effective manner. Each existing director brings valued backgrounds, skills, and other characteristics to the Board, and collectively, these directors meaningfully contribute to increasing the fundamental value of Ally and creating long-term value for stockholders.

The Board has affirmatively determined in its business judgment that each of Mr. Hobbs, Mr. Bacon, Mr. Blakely, Ms. Breakiron-Evans, Mr. Cary, Ms. Clark, Mr. Fennebresque, Ms. Magner, Mr. Stack, and Mr. Steib is independent as defined in the New York Stock Exchange (NYSE) listing standards and applicable SEC rules (each independent and an independent director). The Board has determined that Mr. Brown, the Company's CEO, is not independent as defined in the NYSE listing standards and applicable SEC rules due to his position as an executive officer of the Company. In evaluating the independence of each director, transactions, relationships, and arrangements between the director or any related person or interest and the Company or any of its subsidiaries were assessed. These included a variety of financial-services relationships—such as deposit accounts, extensions of credit, and investment services—and one commercial arrangement involving the provision of services in the ordinary course of business to Ally. All of these transactions, relationships, and arrangements were judged to have been made on terms and under circumstances at least as favorable to the Company or its subsidiaries as those that were prevailing at the time for comparable transactions, relationships, or arrangements with unrelated persons or interests or those that would have applied to unrelated persons or interests. In addition, none of these transactions, relationships, or arrangements were determined to require disclosure under Item 404(a) of SEC Regulation S-K. The Board concluded as well that no independent director has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

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Set forth here is a brief description of the backgrounds, skills, and other characteristics that led the CNGC and the Board to conclude that all of the current directors should be renominated for election at the Annual Meeting.

Franklin W. Hobbs	Director of Ally since May 2009. Mr. Hobbs currently serves as Chairman of the Board. Since 2004, he has been an advisor to One Equity Partners LLC. He was previously the Chief Executive Officer of Houlihan Lokey Howard & Zukin. In that role, he oversaw all operations, which included advisory services for mid-market companies involved in mergers and acquisitions and corporate restructurings. He previously was Chairman of UBS AG's Warburg Dillon Read Inc. unit. Prior to that, he was President and Chief Executive Officer of Dillon, Read & Co. Inc. Mr. Hobbs earned his bachelor's degree from Harvard College and master's degree in business administration from Harvard Business School. He serves as a director on the boards of Lord Abbett & Company, and Molson Coors Brewing Company. Mr. Hobbs is nominated to be a director because he brings extensive business experience in: leading large, heavily regulated, complex organizations strategic planning risk management and serving on a public company board, through his prior professional positions and service on other boards and board committees.
Kenneth J. Bacon	Director of Ally since February 2015. Mr. Bacon is the co-founder and a partner of RailField Realty Partners, a real estate asset management and private equity firm based in Bethesda, Md. Prior to this, he held a number of leadership positions at Fannie Mae, most recently as the executive vice president of the multifamily mortgage business. He retired from Fannie Mae in 2012 following a 19-year career. Bacon also held executive positions at Resolution Trust Corporation, Morgan Stanley & Company, Inc., and Kidder Peabody & Co. He currently serves on the boards of Comcast Corporation, Welltower, and Forest City Realty Trust. He also served as a director of Bentall Kennedy L.P. until its acquisition by Sun Life Financial of Canada in 2015. Mr. Bacon earned a bachelor's degree from Stanford University, a master's degree in international relations from the London School of Economics and a master's degree from Harvard Business School. Mr. Bacon is nominated to be a director because he brings extensive business experience in: the financial services industry; leading large, complex, heavily regulated institutions; strategic planning; and risk management, through his prior professional positions and current service on other boards.
Robert T. Blakely	Director of Ally since May 2009. Previously, Mr. Blakely was a trustee of the Financial Accounting Foundation, the oversight board for the Financial Accounting Standards Board. Mr. Blakely is the former Executive Vice President and Chief Financial Officer of Fannie Mae. In this role, he led the financial restatement and implementation of Sarbanes-Oxley controls. He was previously the Chief Financial Officer of WorldCom/MCI, Lyondell Chemical, Tenneco, and US Synthetic Fuels Corporation where he gained valuable experience dealing with accounting principles and financial reporting rules and regulations, evaluating financial results, and generally overseeing the financial reporting processes of large corporations. Mr. Blakely is a member of the boards of directors of Greenhill & Co., Inc., Natural Resource Partners L.P. and Westlake Chemical Corporation, and he is a director of Baylor St. Luke's Medical Center, and a trustee of the Episcopal Health Foundation. Mr. Blakely received his PhD from the Massachusetts Institute of Technology and his master's and bachelor's degrees from Cornell University. Mr. Blakely is nominated to be a director because he brings extensive business experience in: financial accounting audit and financial reporting matters strategic planning and risk management, through his prior professional positions and service on other boards and board committees.
Maureen A. Breakiron-Evans	Director of Ally since July 2015. Ms. Breakiron-Evans served as Chief Financial Officer of Towers Perrin from January 2007 to April 2008. Prior to that, Ms. Breakiron-Evans served as Vice President and General Auditor of CIGNA Corporation, Executive Vice President and Chief

Financial Officer at Inovant, LLC, and held several positions at Transamerica Corporation. Ms. Breakiron-Evans began her career as a financial auditor, ultimately serving as an Audit Partner with Arthur Andersen & Co. She has served on the board of directors of Cognizant Technology Solutions Corp. since 2009 where she is a member of the nominating and corporate governance committee as well as the chair of the audit committee, and has served on the board of directors of Cubic Corporation since February 2017 where she is a member of the nominating and corporate governance and audit committees. Ms. Breakiron-Evans has previously served on the board of directors of the Federal Home Loan Bank of Pittsburgh, a private government sponsored-enterprise, and ING Direct, an internet bank. Ms. Breakiron-Evans also served on the board of directors of Heartland Payment Systems, Inc., a provider of payment processing services, from 2012 to 2016, where she chaired the audit committee. Ms. Breakiron-Evans received a bachelor’s degree in business administration from Stetson University, a master’s degree in business administration from Harvard Business School and a master’s degree in liberal arts from Stanford University. She is also a Certified Public Accountant in the State of California.

Ms. Breakiron-Evans is nominated to be a director because she brings extensive business experience in: the financial and technology services industry; audit and financial reporting matters; strategic planning and risk management through her prior professional positions and service on other boards and board committees.

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William H. Cary	Director of Ally since June 2016. Mr. Cary is a former executive of General Electric (GE). During his 29 years at GE, he held several leadership positions in consumer and wholesale finance, as well as in the areas of finance, risk and capital markets. His roles included the president and chief operating officer at GE Capital and the president and chief executive officer of GE Money in London. Prior to working with GE, Mr. Cary worked for the Clorox Company, where he started his career. Mr. Cary currently serves on the public company boards of BRP, Inc. and Rush Enterprises. Mr. Cary received his bachelor's degree in business administration and finance from San Jose State University. Mr. Cary is nominated to be a director because he brings extensive business experience in: the financial services industry audit and financial reporting matters; leading large, complex, heavily regulated institutions strategic planning and risk management, through his prior professional positions and current service on other boards.
Mayree C. Clark	Director of Ally since May 2009. Ms. Clark is the founding partner of Eachwin Capital, an investment management organization. Previously, she was a partner and member of the executive committee of AEA Holdings and held a variety of executive positions at Morgan Stanley over a span of 24 years, serving as Global Research Director, Director of Global Private Wealth Management, deputy to the Chairman, President and Chief Executive Officer, and non-executive Chairman of MSCI. She also served as a Director of Morgan Stanley DW Inc., the firm's registered broker-dealer for its retail activities. Ms. Clark is a director of the Tricycle Foundation, a member of the Council on Foreign Relations, Women Moving Millions, and the Circle Financial Group. She received her master's degree in business administration from Stanford University Graduate School of Business and her bachelor's degree from the University of Southern California. Ms. Clark is nominated to be a director because she brings extensive business experience: as an executive of a major public financial services company, as well as specific experience in investment banking and capital markets asset management strategic planning and risk management, through her prior professional positions and service on other boards and professional organizations.
Kim S. Fennebresque	Director of Ally since May 2009. Mr. Fennebresque served as Chairman, President, and Chief Executive Officer of Cowen Group, Inc., where he oversaw all aspects of the management and operations of the company. Prior to joining Cowen Group, Mr. Fennebresque held positions as Head of the Corporate Finance and Mergers & Acquisitions departments at UBS, General Partner and Co-Head of Investment Banking at Lazard Frères & Co., and various positions at The First Boston Corporation. Mr. Fennebresque is a graduate of Trinity College and Vanderbilt Law School. He currently serves on the boards of BlueLinx, Inc., Albertson's LLC and Delta Tucker Holdings, Inc., and formerly served on the boards of TEAK Fellowship, Fountain House and Common Good. Mr. Fennebresque is nominated to be a director because of his extensive business experience in: investment banking the management of a publicly traded company and deep and broad exposure to compensation, legal, accounting and regulatory issues faced by large, complex, heavily regulated institutions.
Marjorie Magner	Director of Ally since May 2010. Ms. Magner is a founding member and partner of Brysam Global Partners, a specialized private equity firm that invests in financial services. Previously, she served as Chairman and Chief Executive Officer of the Global Consumer Group at Citigroup. In this position, she was responsible for the company's operations, serving consumers through retail banking, credit cards and consumer finance. She earned a bachelor's degree in psychology from Brooklyn College and a master's degree from Krannert School of Management, Purdue University. Ms. Magner also serves as chairman of the board of TEGNA and on the boards of Accenture Ltd., the Brooklyn College Foundation and the Museum of American Finance. She is a member of the Dean's Advisory Council for the Krannert School of Management.

	Ms. Magner is nominated as a director because she brings extensive business experience in: the financial services industry leading a large, complex, heavily regulated business strategic planning and risk management, through her prior professional positions and current service on other boards.
John J. Stack	Director of Ally since July 2014. Mr. Stack previously served on the Ally Board and its Audit and Risk and Compliance Committees from April 2010 until April 2013. Mr. Stack served as Chairman and Chief Executive Officer of Ceska Sporitelna, A.S., the largest bank in the Czech Republic, from 2000 to 2007. Prior to that, he spent 22 years in retail banking in various roles at Chemical Bank and then later at Chase Bank. Mr. Stack began his career in government working in staff roles in the New York City Mayor's Office and then the New York City Courts System. He earned a bachelor's degree from Iona College and a master's degree from Harvard Graduate School of Business Administration. Mr. Stack also serves on the boards of Ceska Sporitelna, A.S. (Chairman of the Board Prague, Czech Republic), Erste Group Bank (Vienna, Austria) and Mutual of America Capital Management (New York). Mr. Stack is nominated to be a director because he brings extensive business experience in: the financial services industry leading large, complex, heavily regulated institutions strategic planning and risk management, through his prior professional positions and current service on other boards.

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Michael F. Steib	Director of Ally since July 2015. Mr. Steib has served as the Chief Executive Officer of XO Group since 2014. Prior to joining XO Group, Mr. Steib served as Chief Executive Officer at Vente-Privee USA beginning in 2011. Prior to that position, Mr. Steib served at Google, Inc. as Director, Google TV Ads from January 2007 to September 2009, and Managing Director, Emerging Platforms, from September 2009 to July 2011. From 2001 through 2006, Mr. Steib held positions at NBC Universal/General Electric, where he served as General Manager, Strategic Ventures, and prior to that as Vice President, Business Development. In addition, he previously worked on the development of new media businesses for Walker Digital, LLC, and as a management consultant with McKinsey & Company. Mr. Steib serves on the board of Literacy Partners. Mr. Steib received his bachelor's degree in economics from the University of Pennsylvania. Mr. Steib is nominated to be a director because he brings extensive experience: as an executive of a publicly traded company, as well as specific experience in strategic planning and business development through his prior professional positions and service on other boards.
Jeffrey J. Brown	Chief Executive Officer of Ally since February 2015 and a member of the Board since February 2015. Mr. Brown oversees all Ally strategy and operations to focus on strengthening the core businesses, while positioning the Company for long-term growth. Prior to being named Chief Executive Officer, Mr. Brown was President and Chief Executive Officer of Ally's Dealer Financial Services business since March 2014. In this role, he oversaw the Company's automotive finance, insurance and auto servicing operations. From June 2011 to March 2014, Mr. Brown served as Senior Executive Vice President of Finance and Corporate Planning. In that role, Mr. Brown oversaw the finance, treasury and corporate strategy activities of the Company. He joined Ally in March 2009 as Corporate Treasurer with responsibility for global treasury activities, including funding and balance sheet management. Prior to joining Ally, Mr. Brown was the Corporate Treasurer for Bank of America, where he had responsibility for the core treasury functions, including funding and managing interest rate risk. Mr. Brown spent 10 years at Bank of America, beginning his career in finance and later joining the Balance Sheet Management Division. During his tenure at Bank of America, he also served as the bank's Deputy Treasurer and oversaw balance sheet management and the company's corporate funding division. He was also a member of the company's Asset/Liability Management Committee. Mr. Brown received a bachelor's degree in economics from Clemson University and an executive master's degree in business from Queens University in Charlotte. He serves on the Trevillian Cabinet of the College of Business and Behavioral Sciences at Clemson University and is a board of trustees member of Queens University of Charlotte. Mr. Brown is nominated to be a director because he brings extensive experience in: banking capital markets activity turnarounds corporate strategy and risk management and because he has broad and deep knowledge of all facets of the Company's operational, financial and compliance activities in an evolving business and regulatory environment.

Mr. Cary was appointed by the Board as a director effective June 23, 2016, to fill the vacancy that had been left by the resignation of Stephen A. Feinberg effective June 22, 2016. The Board had previously determined in 2016 that Mr. Feinberg was an independent director. Mr. Cary had been recommended by a search firm retained to assist the CNGC in identifying and evaluating potential director candidates.

In identifying and recommending candidates to stand for election to the Board, the CNGC may consider existing directors for renomination and may use search firms or other resources to identify other potential director candidates. The CNGC also considers potential director candidates who are recommended by stockholders in compliance with applicable law and listing rules and our Bylaws. Stockholders desiring to recommend candidates for membership on the Board for consideration by the CNGC should address their recommendations in writing, including all information required by our Bylaws, to the Compensation, Nominating, and Governance Committee of the Board of Directors, Ally Financial Inc., Attention: Corporate Secretary, 500 Woodward Avenue, MC: MI-01-10-CORPSEC, Detroit, Michigan 48226. The CNGC uses the same criteria to evaluate all potential director candidates regardless of how they have been identified.

The effectiveness of these policies and processes for identifying and considering potential director candidates is assessed by the CNGC in connection with its periodic evaluation of the performance of the Board and each committee as contemplated by the Governance Guidelines.

MEETING ATTENDANCE

Directors are strongly encouraged to attend each annual meeting of stockholders in order to provide an opportunity for informal communication between directors and stockholders and to enhance the Board’s understanding of stockholder priorities and perspectives. Other than Mr. Cary, who was appointed to the Board in June 2016, all existing directors attended the last annual meeting of stockholders on May 3, 2016.

The Board met 11 times during 2016. Each nominee who is currently a director attended at least 75% of the aggregate of (1) the total number of meetings held in 2016 by the Board during the period when the director was serving in that capacity and (2) the total number of meetings held in 2016 by all applicable committees during the period when the director was serving on those committees.

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THE BOARD'S LEADERSHIP STRUCTURE

A majority of the full Board elects the Chairman, and under our existing Bylaws, the Chairman is elected from among Ally's independent directors. Mr. Hobbs serves as the Chairman of the Board and is a non-executive and independent director. Mr. Brown is our CEO.

The Board believes that separating the roles of Chairman and CEO is currently in the best interests of the Company and its stockholders because, based on the Company's present circumstances, the structure provides a balance between strategic development and independent oversight of management. The Board, however, maintains its flexibility to make this determination at any given point in time to provide appropriate leadership for the Company as circumstances warrant.

Under the Governance Guidelines, the Chairman (or in the Chairman's absence, an alternate director designated by the Chairman or, if the Chairman has not made a designation, an alternate director designated by a majority of the independent directors then present) will preside at Board meetings and executive sessions of the independent or non-management directors. The Chairman also has the following responsibilities: (1) serve as a liaison between the independent directors and management, (2) periodically communicate with the CEO to discuss matters of importance to the independent directors, (3) provide for adequate deliberations on all agenda items and other matters properly brought before the Board, and (4) perform other duties that are appropriate for a non-executive chair and that a majority of the independent directors may identify from time to time.

COMMITTEES OF THE BOARD

The standing committees of the Board are the AC, the RCC, the Digital Transformation Committee (DTC), and the CNGC. The table in Proposal 1 details the membership of these committees during 2016 and the total number of their meetings in 2016.

Audit Committee (AC)

The AC is a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 as amended (the Exchange Act). The AC assists the Board in overseeing (1) Ally's accounting and financial reporting, (2) the appointment, qualifications, independence, and performance of Ally's independent registered public accounting firm, (3) the performance and independence of Ally's internal audit function, (4) Ally's compliance with statutory, regulatory, and other legal requirements, and (5) in conjunction with the RCC, the effectiveness of Ally's risk management, governance, and internal controls.

The Company's independent registered public accounting firm is ultimately and solely accountable to, and reports directly to, the AC. The AC has the sole authority and direct responsibility to appoint, retain, compensate, evaluate, and, where appropriate, replace the Company's independent registered public accounting firm. The AC also reviews the appointment, performance, compensation, replacement, reassignment, or dismissal of the Company's general auditor and, at least annually, approves the internal-audit charter, audit policy, audit plan, financial budget, and staffing. Additional information about the AC and its members can be found in the Audit Committee Report later in this proxy statement. None of the members of the AC simultaneously serves on more than three public-company audit committees.

Risk and Compliance Committee (RCC)

The RCC assists the Board in overseeing Ally's risk-appetite framework and risk-management program and reviews the independence and accountability of our risk and compliance functions. The RCC approves the risk-appetite framework, including the risk-appetite and culture statement, the material risk taxonomy, risk-specific appetite statements, and risk appetite guardrails, with an emphasis on credit, vehicle-residual, market, operational, insurance/underwriting, liquidity, business/strategic, and reputation risks from both an enterprise and a line-of-business perspective. The RCC also approves our business-continuity, model-risk-management, and loan-review plans. Additionally, the RCC assists in overseeing management's responsibility to maintain Ally's compliance program.

Digital Transformation Committee (DTC)

The DTC was established in May 2016, and its primary purpose is to maximize customer and stockholder value by understanding and capitalizing on industry changes and customer channels created by digital technologies. The DTC reviews and discusses with management and, as appropriate, the Board significant technology-driven developments that may impact Ally and the industries it serves. The DTC also oversees strategies to maximize the value to stockholders that can be created by these developments, actions to capitalize on alternative sources of revenues and profits that can be generated through digital channels, and information-technology, user-facing digital products and digital-marketing capabilities.

Compensation, Nominating, and Governance Committee (CNGC)

The CNGC oversees the establishment, maintenance, and administration of Ally's compensation plans. This responsibility includes approving the goals and objectives of the CEO and other senior executives who are designated by the CNGC as under

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its purview (Purview Group), evaluating their performance, and determining their total compensation. The CNGC is also responsible for approving the cash and equity pools under enterprise and business-line compensation programs for management or highly compensated employees, reviewing and recommending to the Board the form and amount of director compensation, and overseeing Ally's leadership-development and succession-planning programs.

The CNGC is charged with overseeing nominating and governance matters as well. This responsibility includes reviewing and recommending to the Board all director nominees, the structure and membership of the Board's committees, the Governance Guidelines, the annual self-assessment process for the Board and its committees, and director orientations and continuing education. In addition, the CNGC is responsible for approving all related-person transactions for, and resolving any conflicts of interest involving, members of the Board and the Purview Group.

A narrative description of the processes for considering and determining executive and director compensation—including (1) the CNGC's authority and the extent to which that authority may be delegated and (2) the roles of Ally's executive officers and compensation consultants in determining or recommending the amount or form of executive and director compensation—can be found in the Compensation Discussion and Analysis and in Director Compensation later in this proxy statement. The CNGC's policies on the nomination process for directors can be found in Director Qualifications and Responsibilities earlier in this proxy statement.

GOVERNANCE DOCUMENTS

Charters for the AC, the RCC, the DTC, and the CNGC, along with the Governance Guidelines and the Code of Conduct and Ethics, are available on the Company's website at http://www.ally.com/about/company-structure/policies-charters/index.html.

RISK MANAGEMENT

The Board's primary responsibilities include providing general direction, guidance, and effective challenge on Ally's strategy in the context of its risk profile and understanding Ally's risk profile, risk appetites, and enterprise-wide risk-management program.

The Board has established the RCC to assist in discharging these responsibilities and to provide reports to the Board on significant risk-management matters. The RCC is composed of only independent directors and has oversight over Ally's risk-appetite framework and risk-management program. Among the RCC's specific duties are the following:

- approve the risk-appetite framework, including the risk-appetite and culture statement, the material risk taxonomy, the risk-specific appetite statements, and the risk appetite guardrails;
- approve business-continuity, model risk-management, and loan review plans;
- review reports and trends on material risk exposures and programs-spanning credit, market, liquidity, insurance/underwriting, vehicle-residual, business/strategic, reputation, and operational risks-including risk concentrations, inherent risks in products and businesses, and related controls;
- review reports and trends on liquidity planning and capital-management processes, including the contingency funding plan and stress tests;
- review reports on the new-product-approval process, including risks and performance;
- review compliance with regulatory and other legal requirements;
- review information-technology risks and risk-mitigation plans; and
- review the independence and accountability of the risk and compliance functions and special reports from them.

The RCC also meets in joint session with the AC, at least annually, to review and discuss with management the policies and guidelines for assessing and managing exposures to risks and the procedures for monitoring, controlling, and reporting those exposures as well as the state of the compliance program and significant regulatory or other legal matters.

In addition, the CNGC is responsible for overseeing the management of risks relating to the Company's executive-compensation policies, plans, and arrangements, reviewing leadership development and succession planning, and overseeing corporate-governance policies and practices related to the independence of the Board and any potential conflicts of interest. The AC correspondingly has responsibility to oversee the Company's financial risk exposures as well as the effectiveness of the Company's accounting, financial-reporting, and internal-control policies and practices.

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While each of these committees is responsible for evaluating certain risks and overseeing the management of those risks, the entire Board is regularly informed about the Company's risk profile, risk appetites, and enterprise-wide risk-management program and considers them in assessing and directing the strategy and the business of the Company. Our independent Chairman and our CEO are individually focused as well on the Company's risk-management policies and practices.

COMMUNICATIONS WITH THE BOARD

Under the Governance Guidelines, stockholders and other members of the public may send communications to the Board, the Chairman of the Board, any other individual director, the non-management directors as a group, the independent directors as a group, or any committee of the Board by sending written correspondence in care of the Ally Financial Inc. Corporate Secretary, 500 Woodward Avenue, MC: MI-01-10-CORPSEC, Detroit, Michigan 48226. The Secretary will forward correspondence relating to a director's duties or responsibilities to the specified recipient. Correspondence that is unrelated to a director's duties and responsibilities may be discarded or otherwise addressed by the Secretary. Any correspondence that expresses a concern about any governance, conduct, ethical, accounting, financial-reporting, or internal-control matter will be addressed as provided in the Governance Guidelines.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No person who served as a member of the CNGC during the year ended December 31, 2016—Kim S. Fennebresque, Robert T. Blakely, Franklin W. Hobbs, and Marjorie Magner—(1) was an officer or employee of the Company during 2016, (2) was a former officer of the Company, or (3) had any relationship requiring disclosure by the Company under any paragraph of Item 404 of SEC Regulation S-K. No executive officer of Ally served on any board of directors or compensation committee of any other entity for which any of our directors served as an executive officer at any time during the year ended December 31, 2016.

DIRECTOR COMPENSATION

Mr. Brown and Mr. Feinberg did not receive any separate compensation for their Board activities. The annual retainer paid to non-employee directors for the first two quarters of 2016 was $200,000. This amount was increased to $225,000 beginning in the third quarter of 2016 as a result of added responsibilities following the appointment of all Ally directors to the board of Ally Bank in July 2016. For 2016, the annual retainer was divided fifty percent (50%) cash and fifty percent (50%) equity, in the form of director deferred stock units (Director DSUs), with each Director DSU representing a right to receive one share of our common stock. Beginning in 2017, to better align non-employee director pay with that of Ally's competitive peer group, sixty percent (60%) of the annual retainer that will be awarded to directors following the Annual Meeting will be in the form of Director DSUs, with each Director DSU representing a right to receive one share of our common stock.

An additional annual retainer is paid to each non-employee director who serves as a chairperson of a standing committee of the Board. An annual retainer of $50,000 was paid to the chairperson of both the AC and RCC of the Board for the first two quarters of 2016. This amount was increased to $60,000 beginning in the third quarter of 2016 as a result of added responsibilities following the appointment of the Ally AC and RCC members to the AC and RCC, respectively, of Ally Bank. Chairpersons of the CNGC and DTC were paid an annual retainer of $50,000 for 2016. The DTC was established by the Board in May 2016. All non-employee directors who serve as members of committees, including chairpersons of a committee, were paid additional annual retainers of $20,000 each for 2016. Our independent Chairman is not an executive of the Company, but he plays an active leading role in the Board's oversight of the management of the Company and receives an additional annual retainer of $250,000, which is paid in cash. Beginning in 2017 the Chairman retainer will be increased to $275,000 to recognize the additional responsibilities as a result of being appointed as Chair of the Ally Bank Board in July 2016. Additionally, to better align the Chairman's pay to a market driven practice, beginning in 2017 sixty percent (60%) of the annual retainer will be awarded in the form of Director DSUs, with each Director DSU representing a right to receive one share of our common stock. Meeting fees of $2,000 are payable for each meeting in excess of eight per year.

Compensation	Annual Amount as of

	December 31, 2016 ($)
Non-Employee Director retainer (a)	225,000
Independent Chairman Director retainer (b)	250,000
AC & RCC chair retainer (c)	60,000
CNGC & DTC chair retainer	50,000
Committee Member retainer	20,000
Meeting Fees (d)	2,000

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(a) In 2017, to better align non-employee director pay with that of Ally's competitive peer group, 60% of the annual retainer will be in the form of Director DSUs.
(b) In 2017 this will increase to $275,000 and 60% will be in the form of Director DSUs.
(c) The annual retainer paid to the chairperson of both the AC and RCC increased to $60,000 beginning in the third quarter of 2016 as a result of added responsibilities for Ally Bank.
(d) Payable when the Board or any other committee meets more than 8 times per year.

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

In 2016, Ally began allowing its non-employee directors to defer from 0% to 100% of their cash retainers in 25% increments. These deferrals will be made into either fully vested Director DSUs or a cash account that is credited with interest quarterly. Interest earned will be based on the average rate for the Ally Bank online savings account.

The following table provides compensation for non-employee directors who served during fiscal year 2016.

2016 Director Compensation Table

	Fees Earned or Paid in Cash ($) (a)	Stock Awards ($) (b)	Total ($)
Franklin W. Hobbs (c)	402,299	110,433	512,732
Kenneth J. Bacon	163,250	110,433	273,683
Robert T. Blakely	215,250	110,433	325,683
Maureen A. Breakiron-Evans (d)	157,296	110,433	267,729
William H. Cary	91,250	210,445	301,695
Mayree C. Clark	215,250	110,433	325,683
Steven A. Feinberg (e)	—	—	—
Kim S. Fennebresque (f)	199,250	110,433	309,683
Marjorie Magner	176,250	110,433	286,683
John J. Stack (g)	175,250	110,433	285,683
Michael F. Steib	160,750	110,433	271,183

(a) This amount is prorated to reflect the increase in the annual retainer for the second half of the year and includes annual, chairman, committee chair and member retainers and additional meeting fees.
(b) Includes annual and one-time Director DSUs, which were rounded up to the nearest whole share. Director DSUs to be settled in stock upon a director's departure from the Board. Annual grants are determined using the fair market value at the time of the annual grant, which is prorated for a Board member who joins after the annual meeting. One-time Director DSUs are valued at the fair market value on the grant date.
(c) Mr. Hobbs elected to defer 50% of cash retainer payment in the form of Director DSUs, which had a fair value of $198,174 upon deferral. Of the total amount, he was paid $204,125 in cash for retainer payment and meeting fees.
(d) Ms. Breakiron-Evans elected to defer 100% of cash retainer payment in the form of Director DSUs, which had a fair value of $141,295 upon deferral. Of the total amount, she was paid $16,000 in cash for meeting fees in 2016.
(e) Mr. Feinberg resigned from the Board effective June 22, 2016.
(f) Mr. Fennebresque elected to defer 100% of cash retainer payments to a notional cash-plus-interest account, which was $191,250 in 2016. Of the total amount, he was paid $8,000 in cash for meeting fees in 2016.
(g) Mr. Stack was paid $20,000 in 2016 as Chair of the Consumer Financial Protection Bureau/Department of Justice Consent Order Compliance Committee.

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The following table sets forth the aggregate number of Director DSUs held by each non-employee director at December 31, 2016. Each Director DSU represents one common share of Ally.

Director DSU Balances as of December 31, 2016

	Annual Equity Grant (#) (a)	Non-Employee Director (NED) DSUs (#) (b)	One-Time Grant (#)	Total DSUs (#) (c)
Franklin W. Hobbs	6,452	10,692	—	39,772
Kenneth J. Bacon	6,452	—	—	17,340
Robert T. Blakely	6,452	—	—	23,779
Maureen A. Breakiron-Evans	6,452	7,618	—	22,512
William H. Cary (d)	6,452	—	5,946	12,398
Mayree C. Clark	6,452	—	—	23,779
Kim S. Fennebresque	6,452	—	—	23,779
Marjorie Magner	6,452	—	—	23,779
John J. Stack	6,452	—	—	19,382
Michael F. Steib	6,452	—	—	14,894

(a) Annual Equity Grant includes the annual retainer.

(b) Summary of NED elected Director DSUs. Number of shares is determined using the fair market value at quarter end.

(c) Total Director DSUs for all Directors include Director DSU grants from prior years with the exception of Mr. Cary.

(d) Mr. Cary joined the Board on June 23, 2016 and thus received a one-time initial grant of 5,946 Director DSUs in 2016.

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SECURITY OWNERSHIP AND OTHER GOVERNANCE MATTERS

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

At the close of business on March 15, 2017, the following were known to the Company to be the beneficial owners (as defined in SEC Rule 13d-3) of more than five percent of the Company's common stock:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage
Persons affiliated with Harris Associates LP (a) c/o Harris Associates, LP 111 S. Wacker Drive Suite 4600, Chicago, Illinois 60606	36,248,807	7.7%
Persons affiliated with The Vanguard Group (b) c/o The Vanguard Group 100 Vanguard Blvd., Malvern, Pennsylvania 19355	34,981,651	7.4%

(a) This is according to information provided to the Company in a Schedule 13G filed by Harris Associates L.P. with the SEC on February 13, 2017. According to the Schedule 13G, Harris Associates L.P. has sole dispositive power over 36,248,807 shares of our common stock.

(b) This is according to information provided to the Company in a Schedule 13G/A filed by The Vanguard Group with the SEC on February 9, 2017. According to the Schedule 13G/A, the Vanguard Group has sole voting power over 371,294 shares of our common stock, shared voting power over 77,677 shares of our common stock, sole dispositive power over 34,530,013 shares of our common stock, and shared dispositive power over 451,638 shares of our common stock.

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SECURITY OWNERSHIP OF DIRECTORS, NOMINEES, AND EXECUTIVE OFFICERS

The following tables set forth information, at the close of business on March 15, 2017, concerning the number of shares of common stock and stock-settled units of the Company beneficially owned (as defined in SEC Rule 13d-3) by each director, nominee, and NEO (as defined in the Compensation Discussion and Analysis later in this proxy statement) as well as all directors and executive officers (as defined in SEC Rule 3b-7) as a group. Our executive officers under SEC Rule 3b-7 are also the individuals designated as our officers under Section 16(a) of the Exchange Act and SEC Rule 16a-1. Each of the individuals listed in the following table owns less than one percent of the outstanding shares of our common stock, and all directors and executive officers as a group own less than one percent of the outstanding shares of our common stock. The persons named have furnished this information to us.

Name	Beneficial Ownership		
	Shares of Common Stock Beneficially Owned	Stock-Settled Units (a)	Total Beneficial Ownership (b)
Franklin W. Hobbs	5,000	39,772	44,772
Kenneth J. Bacon	—	17,340	17,340
Robert T. Blakely	—	23,779	23,779
Maureen A. Breakiron-Evans	—	22,512	22,512
William H. Cary	—	12,398	12,398
Mayree C. Clark	10,000	23,779	33,779
Kim S. Fennebresque	—	23,779	23,779
Marjorie Magner	2,700	23,779	26,479
John J. Stack	4,000	19,382	23,382
Michael F. Steib	—	14,894	14,894
Jeffrey J. Brown	66,690	59,102	125,792
Christopher A. Halmy	38,196	26,596	64,792
Timothy M. Russi	24,759	26,596	51,355
Diane E. Morais	22,796	26,596	49,392
David P. Shevsky (c)	27,377	48,410	75,787
William B. Solomon (c) (d)	15,410	54,273	69,683
Directors and executive officers as a group	216,928	462,987	679,915

(a) Represents a vested stock-settled unit or a stock-settled unit that will vest within 60 days of March 15, 2017.

(b) Under SEC rules, stock units are not treated as beneficially owned if the holder does not have the right to acquire the underlying stock within 60 days of March 15, 2017 or the stock units will be paid in cash and therefore do not represent the right to acquire stock. Amounts reflected in the following table include restricted stock units (RSUs), performance-based restricted share units (PSUs), and cash settled deferred stock units (DSUs) that are excluded from the table above.

Name	Number of cash settled DSUs (1)	Number of RSUs (1)	Number of PSUs (1)	Total
Jeffrey J. Brown	10,452	313,820	234,395	558,667
Christopher A. Halmy	5,081	117,471	77,321	199,873
Diane E. Morais	5,811	122,592	69,400	197,803
Timothy M. Russi	6,388	122,650	69,458	198,496
David P. Shevsky	—	—	26,094	26,094

(1) Cash settled DSUs are settled in cash based on the fair market value of Ally common stock. RSUs and PSUs settle in shares of Ally common stock. The number of PSUs reflects shares to be received assuming target levels are achieved at 100%. For further information on all equity awards, refer to the Incentive Awards—Long-Term Incentive Awards section below.

(c) Stock-settled units for Mr. Shevsky and Mr. Solomon include RSU awards that are non-forfeitable, having attained retirement eligibility pursuant to the terms of the awards.

(d) Information for Mr. Solomon included in the above table is based on the information available as of September 30, 2016, when he retired from employment with Ally.

The CEO, all other members of the Purview Group, all directors, and specified associated persons are subject to personal trading restrictions to further align the interests of management and directors with those of stockholders. The restrictions apply to all of Ally's securities, including common stock, preferred stock, and debt. In the absence of an exception granted in accordance with Ally's Enterprise General Insider Trading and Blackout Policy, the restrictions prohibit (1) any transaction that hedges the person's economic interest in and exposure to the full rewards and risks of ownership in a security of Ally, (2) any

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put or call option, futures contract, forward contract, swap, or other derivative transaction that derives its value from a security of Ally (excluding, for clarity, any transaction under Ally's compensation plans), (3) any short sale, including a short sale against the box, of a security of Ally, (4) any pledge of a security of Ally as collateral, including through a margin account (excluding, for clarity, any pledge to a charitable organization that is recognized as such under applicable tax law), and (5) any purchase of a security of Ally through a limit order.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, our officers (as defined in Section 16(a) of the Exchange Act and SEC Rule 16a-1), and any person who beneficially owns more than 10% of the Company's common stock to file initial reports of ownership and reports of changes in ownership of the Company's common stock with the SEC. These reporting persons also are required by SEC rules to furnish us with copies of all forms that they file with the SEC pursuant to Section 16(a) of the Exchange Act. To the Company's knowledge, based solely on its review of the copies received by the Company during or with respect to 2016 and written representations from reporting persons that no other forms or reports were required to be filed, the Company believes that each person who was a reporting person during 2016 timely filed the reports required by Section 16(a) during 2016.

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

Our Board has adopted a Code of Conduct and Ethics to promote integrity in the workplace, in the marketplace, and in our communities. The Code of Conduct and Ethics applies to all of Ally's employees, including the CEO, the Chief Financial Officer (CFO), and the Controller. We will post any amendment to the Code of Conduct and Ethics, as well as any waiver that is required to be disclosed under applicable SEC rules or NYSE listing standards, on the Company's website at http://www.ally.com/about/company-structure/policies-charters/index.html. There were no waivers from any provision of the Code of Conduct and Ethics in 2016 that were required to be disclosed.

The Board has adopted a written Related Party Transaction Policy and Protocols (Related-Person Transaction Policy) that requires the Board or a committee of the Board to review and to approve or ratify any related-person transaction. The authority to review and to approve or ratify related-person transactions has been delegated to the CNGC in its charter.

A related-person transaction under the Related-Person Transaction Policy is an existing or currently proposed transaction or series of similar transactions for which disclosure under Item 404(a) of SEC Regulation S-K is mandated—that is, where (1) Ally was or will be a participant, (2) the amount involved exceeds $120,000, and (3) any related person had or will have a direct or indirect material interest. The term related person under Item 404(a) means, at the applicable time, (a) any director or director nominee of Ally, (b) any executive officer of Ally, (c) any beneficial owner of more than 5% of any class of Ally's voting securities, and (d) any immediate family member (as defined in Item 404) of any of those directors, nominees, executive officers, or beneficial owners. An indirect material interest can arise from a related person's position or relationship with a firm, corporation, or other entity that engages in a transaction with Ally (excluding any interest arising only from the person's position as a director of such an entity, the person's direct or indirect attributed ownership of less than a 10% equity interest in such a corporate or similar entity, or the person's position as a limited partner with less than a 10% direct or indirect attributed interest in such a partnership entity).

The following categories of transactions are treated as appropriately approved or pre-approved for purposes of the Related-Person Transaction Policy: (i) director or executive-officer compensation that is separately approved by the Board or the CNGC, including the reimbursement of ordinary-course expenses consistent with Ally's policies, (ii) indemnification or advancement of expenses consistent with Ally's certificate of incorporation and any related written agreement, (iii) financial services that are provided by Ally in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with unrelated persons and that do not involve more than the normal risk of collectability or present other unfavorable features, and (iv) transactions where the interest of the related person arises solely from the ownership of our common stock and all holders of our common stock receive the same benefit on a pro rata basis.

Information about any potential related-person transaction must be reported to and reviewed by the Company's General Counsel. If the General Counsel determines that a related-person transaction is being proposed, the matter will be referred to the CNGC or, if necessary, the Board for review. If any transaction is executed without the prior approval of the CNGC or the Board and if the CNGC or the Board decides not to ratify it, the Company's management must rescind or terminate the transaction as promptly and on as favorable of terms as feasible.

Under the Related-Person Transaction Policy, when considering whether to approve or ratify a related-person transaction, the CNGC or the Board will consider (A) the commercial reasonableness and arm's-length nature of the transaction, (B) the

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business purpose and timing of the transaction, (C) the benefits likely to accrue to Ally from the transaction, (D) the nature and opportunity costs of alternative transactions, (E) the materiality and character of the related person's interest, (F) the effect of the transaction on the independence of any director or director nominee, (G) actual or potential conflicts of interest for the related person, (H) reputational risks for Ally, and (I) other relevant facts and circumstances.

There has been no transaction since January 1, 2016, that is required to be reported under Item 404(a) but that did not require review and approval or ratification under the Related-Person Transaction Policy or for which the Related-Person Transaction Policy was not followed.

EXECUTIVE COMPENSATION, STOCK-OWNERSHIP GUIDELINES AND TRADING RESTRICTIONS

COMPENSATION RISK ASSESSMENT

The CNGC, with the assistance of Ally's Risk and Human Resources functions, conducts an annual assessment of the risks associated with Ally's compensation policies and practices. Based on the assessment conducted during 2016, the CNGC believes that the design, implementation, and governance of Ally's executive compensation program are consistent with high standards of risk management (including the Interagency Guidance on Sound Incentive Compensation Policies issued by the federal banking agencies) and that Ally's executive compensation policies and practices reflect an appropriate mix of compensation elements, balancing current and long-term performance objectives, cash and equity compensation, and risks and rewards.

The CNGC in 2016 also reviewed Ally's compensation policies and practices as generally applicable to all of our employees and believes that these policies and practices do not encourage excessive or unnecessary risk-taking and that any level of risk that they do encourage is not reasonably likely to have a material adverse effect on the Company. This conclusion has been reported by the CNGC to the Board. In addition, in keeping with this conclusion, Ally's Enterprise Compensation Policy contains language for recoupment of variable incentive pay when it has been later discovered that incentive compensation had been paid based on a materially inaccurate statement of earnings, a misrepresentation of facts, or other similar conduct deemed materially adverse to Ally as determined by the CNGC.

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COMPENSATION DISCUSSION AND ANALYSIS

Introduction

Named Executive Officers

Our Compensation Discussion and Analysis (CD&A) describes our executive compensation philosophy and program as reported in the executive compensation tables that follow, which provide information relating primarily to compensation decisions for the following 2016 named executive officers (NEOs) of the Company:

Named Executive Officer	Title
Jeffrey J. Brown	Chief Executive Officer
Christopher A. Halmy	Chief Financial Officer
Diane E. Morais (a)	President, Consumer & Commercial Banking Products
Timothy M. Russi	President, Auto Finance
David P. Shevsky	Chief Risk Officer
Name of Former Executive	Title
William B. Solomon	Former General Counsel

(a) Ms. Morais' title as of December 31, 2016 was CEO & President, Ally Bank.

This CD&A generally describes the compensation of our NEOs. Disclosure in the executive compensation tables that follow this CD&A includes the compensation of one former executive who is no longer actively employed by Ally: William B. Solomon, who resigned effective as of September 30, 2016.

Executive Summary

2016 Business Highlights

In 2016, Ally made significant progress in its evolution as a leading, digital financial services company, and has strong momentum heading into 2017. Operational performance improved across the board, including record deposit growth and improved risk-adjusted returns in retail auto finance. Our efforts to fortify and grow our businesses have strengthened the Company's financial performance and, as a result, we expect earnings growth to accelerate over the next several years. Significant progress was also made in optimizing our capital structure as Ally eliminated preferred stock and related dividends, introduced a common dividend and repurchased significant amounts of common stock to further drive long-term stockholder value creation.

In the long term, we remain focused on plans to gradually diversify the asset base and sources of revenue. Efforts to expand other parts of the Company are generating real results, including the corporate finance group which saw a 42% increase in pre-tax income. We've also introduced several key initiatives to broaden our offerings, including wealth management, and a direct-to-consumer mortgage product. Further, new partnerships within our auto finance business established in 2016 position Ally well for the ongoing evolution in consumer preferences that are impacting all aspects of the auto industry.

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Performance highlights for 2016 were:

FULL YEAR 2016 HIGHLIGHTS	• Pre-tax income from continuing operations of $1.6 billion up 13% for 2016 • Earnings Per Share (EPS) improved to $2.15 for 2016; Adjusted EPS up 8% to $2.16 • Initiated common dividend and share repurchases in 2016 and returned more than $400 million of capital to stockholders • Net interest margin of 2.63%, up 6 basis points (bps) • Net financing revenue up $188 million in 2016 with deposit and retail auto growth more than offsetting lower lease revenue •

	Consolidated annualized net charge-offs of 70 bps in 2016
	• Efficiency Ratio: 54.1%; Adjusted Efficiency Ratio: 45.4%
	• Record deposit growth with total deposits up $12.5 billion YoY
DEPOSITS	• Retail deposits of $66.6 billion, up $11.1 billion or 20% YoY
	• Customer base up 16% YoY to 1.2 million customers
AUTO FINANCE	• Auto originations of $36.0 billion in 2016
	• Funded 86% of the $36.0 billion auto originations in 2016 at Ally Bank, up from 76% in 2015
	• Achieved these

	measures while operating within our stated risk appetite and also maintaining our focus on disciplined risk taking to generate attractive risk-adjusted returns
INSURANCE	• Combined ratio remains strong at 98.7% • Written premiums were $948 million in 2016, with wholesale premiums increasing $22 million YoY
MORTGAGE FINANCE	• Pre-tax income from continuing operations of $34 million, up over 200% for 2016
CORPORATE FINANCE	• Expanded total assets 29% YoY • Pre-tax income from continuing operations of $71 million, up over 42%

for 2016

- Average loan balance growth, up 36% YoY, drove improved net financing revenue

This Executive Summary includes disclosure of adjusted EPS and adjusted efficiency ratio. Each of these items are non-GAAP financial measures. Descriptions and reconciliations to Generally Accepted Accounting Principles (GAAP) are provided in Appendix A.

Looking ahead, Ally's customer-centric value proposition continues to resonate in the marketplace, laying a solid foundation for future growth. Our new brand campaign, Do It Right, truly sums up our relentless focus in delivering for customers, communities we serve, Ally associates across the country, and our stockholders. As part of this focus, Ally continues to expand its products to meet customer needs. In December 2016, Ally announced the introduction of a direct-to-consumer mortgage offering, named Ally Home®, to further expand its financial services product portfolio, and to fulfill customer requests for an offering. The addition of this offering will further diversify the Company's revenue streams while entering the market in a controlled manner that will allow us to grow the business. Furthering the Company's commitment to the online auto retail channel, in December 2016 Ally reached an agreement to provide financing to support retail contracts from Carvana, one of the nation's fastest-growing online auto retailers. Through the agreement, Ally will make up to $600 million available to Carvana through December 2017.

Earlier in the year, Ally acquired technology assets and expertise from Blue Yield, an online auto lender exchange, to advance Ally's progress in building a direct-to-consumer option. Integration of these capabilities remains on track. The Company also added to its vehicle financing capabilities through the hiring of an experienced transportation and equipment finance team.

Integration of Ally's online brokerage and digital wealth management platform and offerings was advanced in the fourth quarter, and remains on track to launch in early 2017. Finally, in June 2016, Ally Bank launched the Ally CashBack Credit Card program. Initial reaction to the offering has been in line with expectations, with most accounts being opened by existing Ally customers.

Elements and Mix of Executive Compensation

Ally's executive compensation program is consistent with the compensation philosophy discussed in the Compensation Philosophy section below. The compensation program is based on a compensation structure that is market competitive in both levels of pay and mix of pay elements, emphasizes pay for performance and strong governance, overall business safety and soundness, and encourages prudent, but not excessive, risk taking. Ally's robust culture, in combination with its compensation and governance programs, seeks to ensure the appropriate balance between risk/reward and acceptable employee behavior which focuses on protecting Ally's reputation, aims to create long-term stockholder value and is focused on putting the customer first.

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The design of Ally's compensation program, which is discussed in more detail in the Components of Ally's Compensation Program section below, is as follows:

- Total Pay Mix — As illustrated in the table below, the total direct compensation (TDC) target mix for our CEO is 40% cash, including both base salary and annual cash incentives, and 60% equity-based long-term incentives. The target pay mix for other NEOs is 50% cash and 50% equity. Long-term incentives awarded to NEOs are granted in the form of performance-based RSUs for 50% of the value and time-based RSUs for the remaining 50% of the value.

	Total Direct Compensation in Cash	Total Direct Compensation in Long-Term Incentive Awards	Long-Term Incentive Awards Breakdown	
			Performance-based stock units (PSUs)	Time-based stock units (RSUs)
CEO	40%	60%	50%	50%
Other NEOs	50	50	50	50

- Cash Base Salaries — Determined based on market levels for the responsibilities of each NEO and individual considerations of performance and experience.
- Incentive Awards — Funded through annual incentive pools based on Ally's financial performance, with the pool then allocated based on evaluations of individual attainment of performance objectives.
- Annual Cash Incentive Awards — A portion of the NEOs' incentive award is delivered in the form of annual cash-based incentive awards.
- Long-Term Incentive Awards — A portion of the NEOs' incentive award is delivered in the form of (i) PSUs that cliff-vest on the third anniversary of the grant date (subject to the achievement of applicable performance conditions) and (ii) RSUs that vest annually over the three-year period following date of grant (subject to the NEOs' continuous service with the Company). Awards of PSUs and RSUs are settled in common shares of Ally stock.

2016 Compensation Decisions

Based on the CNGC's assessment of overall Company performance, funding of the incentive pools applicable to the senior executives below, was generally flat year-over-year. In connection with determining the 2016 TDC for each of the NEOs under our compensation program, the CNGC reviewed the overall performance of Ally, as well as the performance of each of the NEOs relative to his or her individual performance objectives, as discussed beginning on page 24, taking into account independent control function input (audit, compliance, loan review, and risk) and risk review ratings. In addition, in making decisions regarding the incentives awarded to the NEOs for 2016 performance, the CNGC considered the economic climate affecting the Company's performance and progress on strategic priorities to drive stockholder value.

The table below summarizes how the CNGC views its TDC decisions (base salary, cash incentive awards, PSUs and RSUs) for the NEOs for 2016 performance under our compensation program on an annualized basis.

	Jeffrey J. Brown	Christopher A. Halmy	Diane E. Morais	Timothy M. Russi	David P. Shevsky
Base Salary	$1,000,000	$600,000	$600,000	$600,000	$500,000
Cash Incentive	2,400,000	1,050,000	1,075,000	1,025,000	400,000
PSU	2,550,000	825,000	837,500	812,500	360,000
RSU	2,550,000	825,000	837,500	812,500	540,000
Total Direct Compensation	$8,500,000	$3,300,000	$3,350,000	$3,250,000	$1,800,000

This table is not meant to be a substitute for the Summary Compensation Table on page 30, but is provided to show the compensation approved by the CNGC for the NEOs' performance in respect to 2016. The values in this table differ from those shown in the "Stock Awards" column of the Summary Compensation Table due to SEC rules requiring that equity awards be reported based on the year of grant, rather than the service year to which they relate. Accordingly, the PSU and RSU awards reflected in this table will be reported in next year's Summary Compensation Table, as they were granted in 2017. Note, the number of PSUs assume performance goals are achieved at 100%. For further information on all equity awards, refer to the Incentive Awards—Long-Term Incentive Awards section below.

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Compensation Program Governance

In addition to implementing a performance-based compensation framework, Ally has strong compensation governance as demonstrated by the practices listed below that are included in our compensation program and those practices that are excluded from our program. All of these practices apply to our NEOs and most apply to the broader group of our senior executives, as applicable.

Our Practices

ü Alignment of pay with performance through use of annual and long-term incentives for a majority of NEO total compensation
ü Alignment of NEOs' interests with those of our stockholders by awarding 50% or more of TDC in the form of long-term equity-based incentive compensation
ü Annual risk assessments of both our compensation programs and the risk management behavior of each of the NEOs
ü Meaningful stock-ownership guidelines and holding requirements
ü Enforcement of stock trading restrictions
ü Enhanced clawback policy applicable to all incentives
ü Utilization of an independent board compensation consultant

Excluded Practices

û No hedging or pledging of Company stock
û No excessive perquisites or executive retirement benefits
û No guaranteed incentive payouts for NEOs
û No single-trigger payments or vesting upon a change in control
û No extensive use of employment agreements
û No tax gross-ups for excise or income taxes

Consideration of Stockholder Say-on-Pay Votes

At our 2016 annual meeting, we provided our stockholders the opportunity to vote on an advisory resolution approving the compensation paid to our NEOs in 2015. Approximately 95% of the shares present in person or represented by proxy at that meeting voted in support of the resolution. The CNGC will continue to monitor the feedback we receive from our stockholders through say-on-pay votes and other channels and will consider this feedback in governing our incentive compensation programs.

Compensation Philosophy

Ally's compensation philosophy is that there should be a strong linkage between compensation and performance as well as alignment with good governance principles and stockholder interests. In support of this compensation philosophy, Ally's compensation program is structured to:

- Align with long-term value creation for our stockholders;
- Provide appropriate short- and long-term incentives based on individual, business, and Company performance;
- Encourage prudent, but not excessive, risk taking;
- Provide a total compensation opportunity competitive with market practice and reflecting relative responsibilities of the role; and
- Encourage retention of key executives.

Assessing Compensation Competitiveness

We compare the TDC of our NEOs against that of executives of companies with whom we compete for senior executive talent. We use publicly available reported pay data from a peer group of companies approved by the CNGC to conduct the competitive assessment for the CEO and CFO positions.

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For 2016, changes were made to the peer group to better reflect Ally's size and core businesses. Ally utilized several screening criteria to help establish the revised peer group, including Global Industry Classification Standard (GICS) industries, net revenue, total assets, peers identified by Institutional Shareholder Services Inc. (ISS), and peers of Ally's current peer group companies. The four peer group additions, including Charles Schwab, CIT Group, Comerica, and Huntington Bancshares were selected due to size-appropriateness, frequent peer of peers, and relevant industry segment. The revised peer group consists of the 17 banking and financial services companies listed below:

Peer Group

•BB&T	•Discover	•PNC Financial
•Capital One	•Fifth Third Bancorp	•Regions Financial
•Charles Schwab	•Huntington Bancshares	•Sun Trust Bank
•CIT Group	•KeyCorp	•Synchrony Financial
•Citizens Financial Group	•M&T Bank	•U.S. Bancorp
•Comerica	•Navient	

For the other NEO and senior executive positions, we use market survey data from several survey sources to conduct competitive assessments. Wherever practical, the market surveys include companies that are part of the peer group approved by the CNGC. Updated 2016 survey data used for the remaining NEOs and other senior executives came from one or more survey sources, including the Hewitt Total Compensation Measurement™ database, the Willis Towers Watson Executive Financial Services survey, the McLagan Partners Investment Management survey, the McLagan Partners Fixed Income Sales and Trading survey, and the McLagan Partners Treasury and Asset Liability Management survey. Because multiple survey sources are used and not all survey participants provide data for each of the remaining NEOs, it is not possible to list the survey participants included in the competitive data analyzed for positions other than the CEO and the CFO.

When we measure the compensation of our CEO, CFO and other NEOs against the above peer group and survey data, we compare our compensation to the median. On an individual basis, compensation for any executive may be set above or below the median based on a variety of factors, including time in position, sustained performance over time, readiness for promotion, criticalness to retain, and skill set and experience relative to external market counterparts. Compensation will also vary above or below median based on Company and individual performance. For 2016, TDC and individual elements of pay (i.e., base salary, annual cash incentives, and long-term incentives) for our NEOs were determined consistent with competitive market levels and pay mix taking into account Company and individual performance.

CNGC Process

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

The CNGC determines the compensation of the CEO and other members of the Purview Group including the compensation of the NEOs. As discussed below, in making its determination for senior executives other than the CEO, and in making changes to our executive compensation program, the CNGC considers the recommendations of the CEO and determines the compensation of the CEO without recommendations from the CEO or other management. The CNGC also meets regularly in executive session without the presence of any members of management. The CNGC seeks the input of Ally's risk management functions and, in its deliberations on compensation related issues, it also consults with the chairpersons of the Board's RCC and AC as it deems appropriate.

Compensation recommendations for the NEOs other than the CEO are presented to and discussed with the CNGC by the CEO. Factors that were discussed and considered by the CNGC include overall Ally financial results, business unit or corporate function results, individual performance evaluations, risk scorecards, control function input, and market data. In particular, the CEO recommends the compensation of the NEOs based on his view as to the strategic importance of each NEO's role, knowledge and performance. The CEO's unique insight into our business and day-to-day interaction with the NEOs provide a valuable perspective to the CNGC for its deliberations. The CNGC then determines and approves the compensation for the NEOs.

The CNGC determines and approves the compensation of the CEO without the recommendation of management. Neither the CEO nor the other NEOs are present for discussion of their pay.

The Company engaged Pearl Meyer & Partners to provide consulting assistance on matters pertaining to executive compensation, including an updated competitive assessment of the compensation for the Purview Group.

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Frederic W. Cook & Co., Inc. (FW Cook) served as an independent advisor to the CNGC during 2016. FW Cook reports directly to the CNGC and provides ongoing advice with respect to the plans and programs covering the executives, including our NEOs, and non-employee directors, for which the CNGC is responsible. FW Cook reviews all materials developed by management in advance of CNGC meetings, provides advice and recommendations concerning changes to our plans and programs, as well as information on market practices and trends, and attends meetings of the CNGC. FW Cook undertakes no separate work for Ally. The CNGC assessed the independence of FW Cook under NYSE and SEC rules and has determined that FW Cook is independent from Ally management and its work for the CNGC does not raise any conflicts of interest.

Components of Ally's Compensation Program

For 2016, the TDC elements of our NEOs' compensation consisted of base salary, annual cash incentives and equity-based long-term incentives in the form of PSUs and RSUs. In addition, we offer limited benefits and perquisites.

Cash Base Salary

Under our compensation philosophy, cash base salary is intended to provide a predictable level of compensation that is competitive in the marketplace for the position responsibilities and individual skills, knowledge, and experience of each employee. The following table shows the annual cash base salary rates paid to the NEOs in 2016.

NEO	Annual Cash Base Salary at the end of 2016 ($)	Annual Ongoing Cash Base Salary ($)
Jeffrey J. Brown	1,000,000	1,000,000
Christopher A. Halmy	600,000	600,000
Diane E. Morais	550,000	600,000
Timothy M. Russi	550,000	600,000
David P. Shevsky	500,000	500,000

Incentive Awards

Ally's incentive plan is intended to reward and retain executives, including the NEOs and select key employees whose performance helps the Company to achieve its business objectives. Accordingly, a combination of the following factors determines individual incentive awards, and change in TDC from year to year:

- Market performance;
- Company performance;
- Business unit and function performance;
- Individual performance and level of responsibility;
- Individual pay relative to market; and
- Input from Ally's control functions (i.e., audit, compliance, risk, and loan review).

Once the incentive pools for the performance year are established and the overall individual incentive amount is determined as previously discussed, the type of incentives are awarded in a formulaic manner in accordance with the total compensation mix and equity mix of the compensation structure. The cash portion of annual incentive awards is paid currently and the equity portion is awarded in the form of PSUs and RSUs (as discussed in more detail in Incentive Awards—Long-Term Incentive Awards below).

Individual Performance

Based on the CNGC's assessment of performance, the CNGC established incentive pools for 2016. As previously noted, overall funding of the incentive pools applicable below for the senior executives was generally flat year-over-year. In determining and approving individual incentive awards for the CEO and each of the other NEOs, the CNGC considered performance on their individual objectives, including the significant achievements listed below:

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Jeffrey J. Brown Chief Executive Officer	• Delivered Adjusted EPS of $2.16, up 8% from 2015. • Achieved 10% Core Return on Tangible Common Equity (ROTCE), up 59 bps from 2015. • Initiated a common dividend and share repurchase program in 2016 and returned more than $400 million of capital to stockholders. • Continued diversification in Dealer Financial Services through used vehicle financing and emerging online channels. • Introduced several key initiatives to broaden our offerings to customers including online brokerage and wealth management, a direct-to-consumer mortgage product and credit card offering. • Successfully rebranded our core vehicle service contract, GM Protection Plan insurance to Ally Premier Protection. • Exceeded retail deposit growth target with $11.1 billion of deposits in 2016, bringing total retail deposits to $66.6 billion; customer growth over 16% year-over-year, a record year for Ally. • Developed Ally Bank as the segment leader and achieved recognition as the "Best Online Bank" by Fortune® magazine and GoBankingRates.com for three consecutive years. Kiplinger's name Ally Bank the "Best All-Around Online Bank" for the third year. • Furthered Ally's customer-centric value proposition and market position as a digital financial services company with the new brand campaign "Do It Right".
Christopher A. Halmy Chief Financial Officer	• Delivered adjusted EPS of $2.16, up 8% from 2015. • Achieved 10% Core ROTCE, up 59 bps from 2015. • Navigated the company to receive a non-objection from the Federal Reserve on the 2016 Comprehensive Capital Analysis and Review (CCAR). • Initiated a common dividend and share repurchase program in 2016 and returned more than $400 million of capital to stockholders. • Repurchased $697 million of preferred securities while eliminating all preferred dividends. • Improved strategic message and financial transparency to stockholder community through leading our inaugural investor day and conducting extensive investors outreach. • Maintained expense efficiency with an adjusted efficiency ratio of 45.4%, essentially flat to prior year, while investing in growth opportunities like wealth management, direct-to-consumer mortgage originations, credit card and transportation and equipment

	finance.
Diane E. Morais President, Consumer & Commercial Banking Products	• Exceeded retail deposit growth targets, posting growth of $11.1 billion in deposits in 2016, contributing to total retail deposits of $66.6 billion. • Increased number of retail deposit customers by 16% year-over-year, with ongoing emphasis exceeding customer expectations and driving strong levels of advocacy. • Continued to broaden target retail deposit customer population resulting in 50% of new customers from desirable Millennial segment. • Achieved brand awareness all time high of 57% through launch of "Do It Right" brand campaign, positioning Ally as multi-product digital financial institution. • Grew Corporate Finance held-for-investment portfolio 24% year-over-year as new technology and healthcare verticals contribute to the growth. • Successfully launched Ally CashBack credit card program, exceeding initial expectations with strong customer response. • Closed TradeKing acquisition adding online brokerage and wealth management to further diversify the business and progress as a leading, digital services company. • Continued diversification of Ally's mortgage business — launched Ally Home®, a direct-to-consumer mortgage business, and executed $3.8 billion of bulk purchase activity. • Continued regulatory normalization, achieving Federal Reserve approval to become state member bank and simplification of governance structure. • Created strong focus on controls, self-identification of issues and accountability for remediation. Created quality control oversight program for newly designed card and mortgage products. Ensured that teams are in full compliance with New Product Process/Governance with lens on identifying all key risks associated with new business lines.
Timothy M. Russi President Auto Finance	• Delivered pretax income of $1.4 billion on 2016. • Acquired Blue Yield, a digital, direct-to-consumer online origination platform. • Launched Transportation and Equipment Finance segment to further diversify Ally's portfolio. • Executed agreement with Carvana to provide financing support for Retail Contracts. • Continued to build out Smart Auction technology. • Successfully diversified product offerings to achieve results within stated risk appetite while maintaining focus on disciplined risk taking to generate attractive risk adjusted returns.

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David P. Shevsky Chief Risk Officer	• Provided strong leadership to ensure that Ally's risk taking activities adhered to the company's stated risk appetite. • Ensured critical program delivery across all risk pillars, including credit, market, and operational risk and further institutionalized the company's risk culture. • Provided robust risk assessments and risk mitigation strategies over new products / new business including wealth management, direct to consumer automotive financing, direct to consumer mortgage financing and other key strategic initiatives across Ally. • Actively managed the risk/reward tradeoff by supporting efforts to achieve improved risk-adjusted returns without risking safety and soundness. • Achieved significant efficiencies through streamlined governance routines by eliminating duplicative committees across Ally.

Annual Cash Incentive Awards

For details on the annual cash-based incentive awards granted to the NEOs in respect of 2016 performance, see 2016 Compensation Decisions above and the Summary Compensation Table below.

For 2017, we anticipate factors similar to 2016 will be considered in determining individual incentive levels, which, if warranted, would be granted in a formulaic manner consistent with the total compensation mix and equity mix of the current compensation structure. The following 2017 financial and non-financial metrics, which align to our investor guidance, will form the basis for assessing Company performance:

- Achieve financial targets and key enterprise business results, including Core ROTCE of approximately 10%; growing EPS approximately 15%; and growing adjusted tangible book value per share between 8-10%, while continuing to strategically reposition Ally;
- Enhance One-Ally and LEAD Culture;
- Proactively identify, assess and manage risk;
- Position Ally Bank as the primary operating entity of the Company;
- Optimize Auto Finance and position it for future changes;
- Improve financial results and stockholder returns, as well as ensure Ally's strong foundation for a bright future; and
- Maintain an industry-leading brand and use it to advance our objectives.

Long-Term Incentive Awards

A central principle of our compensation program is linking our executives' compensation directly to Company performance by awarding 50% or more of the TDC paid to the NEOs in the form of long-term equity incentive awards. Accordingly, commencing with the 2015 performance year, we granted both time-based RSUs and performance-based PSUs to our NEOs. We believe that our commitment to awarding a significant portion of the TDC paid to our NEOs in the form of RSUs and PSUs helps to further align the interests of our leaders and our stockholders, as the ultimate value received depends on the share price on the vesting date and, in the case of PSUs, the level of attainment of the applicable performance conditions.

The PSUs granted to our NEOs have a two-year performance period followed by an additional year of required service after which earned PSU awards will be fully vested and settled in shares. Any dividends declared over the vesting period will be accumulated and paid at settlement on the number of earned PSUs.

The performance metrics applicable to the PSUs are Core ROTCE and total shareholder value (TSV), each having an equal weight. We believe these two metrics align executive compensation with the Company's operating performance, risk appetite, and long-term stockholder returns. These are balanced measures that ensure that NEOs are focused on the overall returns of the business and not motivated to drive performance on one measure or one business unit over another. The selection of Core ROTCE as a metric reflects management's primary responsibility to produce an appropriate return on equity for stockholders. TSV, which is defined as growth in tangible book value per share plus dividends per share, was selected as we believe that growth in the value of tangible book value of the Company should result in increased long-term value creation for stockholders and is directly impacted by management performance. Core ROTCE and TSV are non-GAAP measures. Certain adjustments will be made to ensure that the measurement of performance reflects factors that management can directly control and that payout levels are not artificially inflated or impaired by factors unrelated to the ongoing operation of the business. Refer to Appendix A for information on calculation of the metrics.

PSUs will pay out between 0% and 150% of target grant based on the achievement of predetermined goals for the metrics using a tiered structure rather than linear interpolation between goal levels. The tiers for payout under each of the metrics are as follows:

Tier	Payout Amount	Core ROTCE	Total Shareholder Value Growth Rate
Maximum	150%	>12%	>13%
Above Target, Under Maximum	125%	10.01% - 12%	10.01% - 13%
Target	100%	8.01% - 10%	7.01% - 10%
Above Threshold, Under Target	75%	6.01% - 8%	4.01% - 7%
Threshold	50%	4.01% - 6%	1.01% - 4%
Below Threshold	0%	<4.01%	<1.01%

Threshold, target and maximum goals were established for each metric that reflect performance expectations considering factors such as the Company’s prior-year performance, the current year’s financial plan, and the multi-year strategic plan. The threshold goal is set at what is considered the minimum acceptable performance level for payout of PSUs and corresponds to below-median performance and a compensation level. The target goal is set in line with our annual and long-range plan performance and corresponds to expectations for improved performance. The maximum goal equates to views of superior performance and corresponds to above-median performance and a compensation level.

Ally also utilizes RSUs for a portion of NEOs’ long-term equity incentives. While RSUs do not have explicit performance-vesting conditions, the ultimate value realized from the RSUs depends on the share price at vesting. This feature also applies to our PSUs to further align these awards with the interests of our stockholders. The RSUs are subject to time-based vesting and will vest and settle in shares in three equal annual installments on the first, second, and third anniversaries of the date of grant. All of Ally’s equity awards are subject to Ally’s enhanced Clawback and Recoupment Policy (see Clawback Provisions and Loss Trigger Review section for more details).

Benefits and Perquisites

We provide our NEOs with health and welfare benefits under the broad-based program generally available to all of our employees. This allows them to receive certain benefits that are not readily available to individuals except through an employer and to receive certain benefits on a pre-tax basis. Our benefit program includes the tax-qualified Ally Financial, Inc. Retirement Savings Plan (Savings Plan). We provide the Savings Plan in lieu of higher current cash compensation to ensure that employees have a source of retirement income and because these plans enjoy more favorable tax treatment than current compensation. Under the Savings Plan, employee contributions up to 6% of eligible compensation after one year of employment were matched 100% by Ally. The Savings Plan also provided a 2% nonmatching contribution on eligible compensation and a discretionary 2% nonmatching contribution on base pay in light of the Company’s 2016 performance. Nonmatching contributions fully vest after the individual has been employed for three years. Eligible compensation for the Savings Plan includes salary and annual cash bonus up to 50% of salary.

Ally also maintains a nonqualified benefit equalization plan for highly-compensated employees, including the NEOs. This plan is a nonqualified savings plan designed to allow for the equalization of benefits for highly compensated employees under the Ally 401(k) Program when such employees’ contribution and benefit levels exceed the maximum limitations on contributions and benefits imposed by the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code of 1986, as amended (the Code). This plan is maintained as an unfunded plan and all expenses for administration of the plan and payment of amounts to participants are borne by Ally. Ally suspended nonqualified contributions to its nonqualified Enhanced Retirement Savings Plan in 2009 and has not made any since, including in 2016. Therefore, employer contributions for 2016 were made only under the qualified savings plan, which limits contributions as required by the Code.

In addition to broad-based benefits, the NEOs receive limited additional benefits and perquisites so that the Company can remain competitive in attracting and retaining executive talent.

Executive Agreements

The NEOs are employed on an at will basis, and none of them is party to a separate employment agreement with the Company.

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Severance

The NEOs are eligible for benefits under the Ally Financial Inc. Severance Plan on the same basis as other Ally employees. See Potential Payments Upon Termination or Change in Control below.

Clawback Provisions and Loss Trigger Review

In connection with the risk assessment Ally conducted in 2016, the Company has reviewed all of its incentive compensation programs to ensure they include language allowing the Company to recoup incentive payments made to recipients in the event those payments were based on financial statements that are later found to be materially inaccurate. Incentive plans that did not include such language were revised to allow for incentive payments to be recovered. In addition, all recoupment practices were consolidated into a more comprehensive enterprise-wide Recoupment Policy. A recipient who fails to promptly repay Ally under such circumstances is subject to termination of employment.

Ally also engages in a “loss trigger” review process, which is applicable to Material Risk Takers (MRTs) who receive a deferred incentive compensation award (cash or equity-based) for a year in which they were classified as an MRT. Prior to the payout of any deferred incentive award to an MRT, the Company determines if a significant loss or other “negative risk outcome” has occurred that relates to the risk taking activities of the MRT. The Company’s senior leadership is responsible for assessing the involvement and responsibility of the MRT in the loss or other “negative risk outcome”. In the event that the CNGC determines there is involvement in a significant loss, senior leadership may recommend a downward adjustment or forfeiture of the any unpaid portion of the incentive compensation awarded to that MRT. Senior leadership consists of, at a minimum, the head of risk, the CFO and the MRT’s applicable head of business unit/function.

Stock-Ownership Guidelines

The Board believes that the interests of management and stockholders are further aligned by stock-ownership guidelines for the CEO and other members of the Purview Group. As a result, the Governance Guidelines provide for the following minimum ownership levels:

Officer	Stock Ownership
CEO:	5 times cash base salary
Other NEOs:	3 times cash base salary
Other Purview Group:	2 times cash base salary

Ownership is generally based on whether the executive is meaningfully exposed to changes in the share price of Ally stock and, as a result, includes shares owned outright, unvested RSUs and restricted stock, and earned but unvested PSUs and performance-based stock. Ownership levels are measured at year-end, and for a newly employed or promoted executive, the applicable level of ownership begins to apply in the year following employment or promotion. The Board understands, however, that some period of time beyond one year will be required for a newly employed or promoted executive to accumulate the requisite shares and that family or other personal reasons may necessitate a sale of accumulated shares. To ensure that the purposes of these stock-ownership guidelines are achieved, whenever the minimum ownership level is not achieved or maintained, the executive must retain 50% of the net (after tax) shares received from any equity grant that has been made since Ally’s initial public offering.

Anti-Hedging and -Pledging Policies

The CEO and other members of the Purview Group are subject to personal trading restrictions, including anti-hedging and -pledging policies, to further align the interests of management with those of stockholders. Refer to Security Ownership of Directors, Nominees, and Executive Officers earlier in this proxy statement for more information.

Timing of Equity-Based Awards

The CNGC typically approves equity-based awards annually at its January meeting when individual incentive awards are determined and approved. This meeting is prescheduled, and annual grants will typically be made after the release of our year-end earnings. In addition to the annual equity-based awards, the CNGC may approve equity-based grants for purview executives on a limited basis on other dates in special situations, such as the hire of an executive or to retain executives important to the success of the Company.

Tax and Accounting

Generally, we are subject to the ordinary limits on deductibility of compensation pursuant to the rules under Section 162(m) of the Code (Section 162(m)). These rules impose a $1 million limit on the amount that Ally may deduct for specified compensation paid in a taxable year to its CEO, and the next three most highly compensated executive officers other than its CFO. However, under IRS regulations, compensation paid pursuant to plans in place at the time of Ally's IPO is exempt from this limit for a grandfathered period that