

TEEKAY CORP
Form 6-K
May 04, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934
Date of report: May 4, 2018
Commission file number 1-12874

TEEKAY CORPORATION
(Exact name of Registrant as specified in its charter)

4th Floor, Belvedere Building
69 Pitts Bay Road

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Hamilton, HM 08 Bermuda

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Yes

No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Yes

No

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Item 1 Information Contained in this Form 6-K Report

Attached as Exhibit I is a copy of the 2018 Proxy Statement of Teekay Corporation (the Company), dated May 4, 2018.

THIS REPORT ON FORM 6-K IS HEREBY INCORPORATED BY REFERENCE INTO THE FOLLOWING REGISTRATION STATEMENTS OF THE COMPANY.

REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 33-97746) FILED WITH THE SEC ON OCTOBER 4, 1995;

REGISTRATION STATEMENT ON FORM S-8 (NO. 333-42434) FILED WITH THE SEC ON JULY 28, 2000;

REGISTRATION STATEMENT ON FORM S-8 (NO. 333-119564) FILED WITH THE SEC ON OCTOBER 6, 2004;

REGISTRATION STATEMENT ON FORM S-8 (NO. 333-147683) FILED WITH THE SEC ON NOVEMBER 28, 2007

REGISTRATION STATEMENT ON FORM S-8 (NO. 333-166523) FILED WITH THE SEC ON MAY 5, 2010;

REGISTRATION STATEMENT ON FORM S-8 (NO. 333-187142) FILED WITH THE SEC ON MARCH 8, 2013;

REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 333-212787) FILED WITH THE SEC ON JULY 29, 2016, AS AMENDED;

REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 333-213213) FILED WITH THE SEC ON AUGUST 19, 2016.

REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 333-221806) FILED WITH THE SEC ON NOVEMBER 29, 2017, AS AMENDED.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEEKAY CORPORATION

Date: May 4, 2018

By: /s/ Vincent Lok

Name: Vincent Lok

Title: Chief Financial Officer

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TEEKAY CORPORATION

4th Floor, Belvedere Building,

69 Pitts Bay Road, Hamilton, HM 08 Bermuda

May 4, 2018

Dear Shareholder,

On behalf of the Board of Directors, it is my pleasure to extend to you an invitation to attend the 2018 Annual Meeting of Shareholders of Teekay Corporation. The annual meeting will be held at:

Place: Princess Victoria Ballroom

Hamilton Princess and Beach Club Hotel

76 Pitts Bay Road

Hamilton, HM 08 Bermuda

Date: Friday, June 15, 2018

Time: 11:30 a.m. Atlantic Daylight Time

The Notice of Annual Meeting and Proxy Statement describes the business to be transacted at the annual meeting and provides other information concerning Teekay Corporation. The principal business to be transacted at the annual meeting will be the election of three directors for a term of three years. The Board of Directors unanimously recommends that shareholders vote for the election of the nominated directors.

We are furnishing proxy materials to our shareholders over the Internet. On or about May 4, 2018, we will mail to our shareholders a notice containing instructions on how to access our 2018 proxy statement and annual report via the Internet and vote online. The notice also provides instructions on how you can request a paper copy of these documents if you desire and how you can enroll in e-delivery to receive future annual materials via email.

We know that many of our shareholders will be unable to attend the annual meeting. Proxies are solicited so that each shareholder has an opportunity to vote on all matters that are scheduled to come before the annual meeting. Whether or not you plan to attend the annual meeting, we hope that you will have your stock represented by voting online, or by completing and returning a proxy card or voting instruction card, as soon as possible. You may, of course, attend the annual meeting and vote in person even if you have previously voted online or submitted your proxy card or voting instructions.

Sincerely,

KENNETH HVID

President and Chief Executive Officer

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2018 ANNUAL MEETING OF SHAREHOLDERS

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

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TEEKAY CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Time and Date	Friday, June 15, 2018 11:30 a.m. Atlantic Daylight Time
Place	Princess Victoria Ballroom Hamilton Princess and Beach Club Hotel 76 Pitts Bay Road Hamilton HM 08 Bermuda
Items of Business	(1) To elect three directors to Teekay's Board of Directors for a term of three years. (2) To transact such other business as may properly come before the annual meeting or any adjournment or postponement of the meeting.
Adjournments and Postponements	Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.
Record Date	The record date for the annual meeting is April 17, 2018. Only shareholders of record at the close of business on that date will be entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement of the meeting.
Internet Availability	We are furnishing proxy materials to our shareholders over the Internet. On or about May 4, 2018, we will mail to our shareholders a notice containing instructions on how to access our 2018 proxy statement and annual report via the Internet and vote online. The notice also provides instructions on how shareholders can request a paper copy of these documents, if they desire, and how shareholders can enroll in e-delivery to receive future annual materials via email.
Voting	Your vote is very important. Whether or not you plan to attend the annual meeting, we encourage you to read the proxy statement and vote online or submit your proxy or voting instructions as soon as possible. For specific instructions on how to vote your shares, please refer to the section entitled Questions and Answers beginning on page 2 of the proxy statement and the instructions on the proxy or voting instruction card.

By Order of the Board of Directors

ARTHUR J. BENSLER

Corporate Secretary

May 4, 2018

*This notice of annual meeting and proxy statement and form of proxy are being distributed on or about
May 4, 2018.*

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QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: Why am I receiving these materials?

A: The Board of Directors (or *Board*) of Teekay Corporation, a corporation organized in the Republic of the Marshall Islands (or *Teekay*), is providing these proxy materials to you in connection with Teekay's Annual Meeting of Shareholders, which will take place on Friday, June 15, 2018. As a shareholder, you are invited to attend the annual meeting and are entitled and requested to vote on the items of business described in this proxy statement.

Q: What information is contained in this proxy statement?

A: The information included in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, the compensation of directors and Teekay's most highly-paid executive officers, and certain other information about Teekay.

Q: How may I obtain Teekay's annual report to shareholders?

A: A copy of our annual report to shareholders may be found in the Investors Teekay Corporation section of our website at www.teekay.com.

Q: How may I obtain Teekay's Annual Report on Form 20-F filed with the Securities and Exchange Commission (or SEC)?

A: Our 2017 Annual Report on Form 20-F constitutes our annual report to shareholders. Copies of the 2017 Annual Report on Form 20-F are available under Financials & Presentations SEC Filings in the Investors Teekay Corporation section of our website at www.teekay.com, and at the SEC's EDGAR database on the SEC's website at www.sec.gov. Shareholders may also request a free copy of our 2017 Annual Report on Form 20-F from:

Teekay Corporation

Suite 2000, Bentall 5

550 Burrard Street

Vancouver, BC V6C 2K2

Attention: Investor Relations

Telephone: (604) 844-6654

Email: investor.relations@teekay.com

Teekay will also furnish any exhibit to the Form 20-F, if specifically requested.

Q: What items of business will be voted on at the annual meeting?

A: The items of business scheduled to be voted on at the annual meeting are:

The election of three directors to Teekay's Board for a term of three years; and

Any other business that properly comes before the annual meeting.

Q: How does the Board recommend that I vote?

A: The Board recommends that you vote your shares **FOR** each of the nominees to the Board.

Q: What shares can I vote?

A: Each share of Teekay's common stock issued and outstanding as of the close of business on April 17, 2018, the *record date* for the annual meeting, is entitled to be voted on all items being voted upon at the annual meeting. The record date for the annual meeting is the date used to determine both the number of shares of Teekay's common stock that are entitled to be voted at the annual meeting and the identity of the *shareholders of record* and *beneficial owners* of those shares of common stock who are entitled to vote those shares at the annual meeting. On the record date for the annual meeting, we had approximately 100,434,362 shares of common stock issued and outstanding.

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You may vote all shares owned by you as of the record date for the annual meeting, including (1) shares held directly in your name as the *shareholder of record*, including shares purchased through Teekay's Dividend Reinvestment Plan, and (2) shares held for you as the *beneficial owner* through a broker, trustee or other nominee such as a bank.

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

A: Most Teekay shareholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Shareholder of Record

If your shares are registered directly in your name with Teekay's transfer agent, Computershare, you are considered, with respect to those shares, the *shareholder of record*, and these proxy materials are being sent directly to you by Teekay. As the *shareholder of record*, you have the right to grant your voting proxy directly to Teekay management or to vote in person at the meeting. Teekay has provided a proxy card for you to use.

Beneficial Owner

If your shares are held in a brokerage account or by another nominee, you are considered the *beneficial owner* of shares held *in street name* and these proxy materials are being forwarded to you together with voting instructions. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote and are also invited to attend the annual meeting.

Since a beneficial owner is not the *shareholder of record*, you may not vote these shares in person at the meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. Your broker, trustee or nominee should have provided voting instructions for you to use in directing the broker, trustee or nominee how to vote your shares.

Q: How can I attend the annual meeting?

A: You are entitled to attend the annual meeting only if you were a Teekay shareholder as of the close of business on April 17, 2018 or you hold a valid proxy for the annual meeting. You should be prepared to present photo identification for admittance. In addition, if you are a *shareholder of record*, your name will be verified against the list of *shareholders of record* on the record date prior to your being admitted to the annual meeting. If you are not a shareholder of record but hold shares through a broker or nominee (*i.e.*, in street name), you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to the record date, a copy of the voting instructions provided by your broker, trustee or nominee or other similar evidence of ownership. If you do not provide photo identification or comply with the procedures outlined above upon request, you will not be admitted to the annual meeting. The meeting is scheduled to begin promptly at 11:30 a.m. Atlantic Daylight Time.

Q: How can I vote my shares in person at the annual meeting?

A: Shares held in your name as the shareholder of record may be voted in person at the annual meeting. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. *Even if you plan to attend the annual meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.*

Q: How can I vote my shares without attending the annual meeting?

A: Whether you hold shares directly as the shareholder of record or beneficially in street name, you may direct how your shares are voted without attending the meeting. If you are a shareholder of record, you may vote by submitting a proxy or by voting online or by telephone. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, trustee or nominee.

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Q: Can I change my vote?

A: You may change your vote at any time prior to the vote at the annual meeting. If you are the shareholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy) by providing a written notice of revocation to Teekay's Corporate Secretary by mail received prior to your shares being voted, or by attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

Q: Is my vote confidential?

A: Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Teekay or to third parties, except (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote and (3) to facilitate a successful proxy solicitation. Occasionally, shareholders provide written comments on their proxy card, which are then forwarded to Teekay management.

Q: How many shares must be present or represented to conduct business at the annual meeting?

A: The general quorum requirement for holding the annual meeting and transacting business is that holders of a majority of shares of Teekay's common stock entitled to vote must be present in person or represented by proxy. However, the number of shares required to be represented at the annual meeting to constitute a quorum is reduced from a majority to one-third of the shares entitled to vote on a specific matter if that matter is recommended by the *Continuing Directors (as defined below)* or, for purposes of voting on the election of directors, if all nominees are recommended by the *Continuing Directors*. *Continuing Directors* means the incumbent members of the Board of Directors that were members of the Board on May 31, 2006 and any persons who have been or are subsequently elected or appointed to the Board if such persons are recommended by a majority of the *Continuing Directors*. The *Continuing Directors* have recommended for election all the nominees for director set out in this proxy statement. Accordingly, the quorum for this matter will be one-third of the shares entitled to vote, present in person or represented by proxy. Abstentions will be counted for the purpose of determining the presence of a quorum, but broker non-votes will not be counted for purposes of determining the presence of a quorum.

Q: How are votes counted?

A: In the election of directors, you may vote FOR all of the nominees or your vote may be WITHHELD with respect to one or more of the nominees. For any other item of business, you may vote FOR, AGAINST or ABSTAIN. If you ABSTAIN, the abstention has the same effect as a vote AGAINST.

If you provide specific instructions for a given item, your shares will be voted as you instruct on such item. If you sign your proxy card or voting instruction card without giving specific instructions, your shares will be voted in accordance

with the recommendations of the Board (*i.e.*, FOR all of Teekay's nominees to the Board and in the discretion of the proxyholders on any other matters that properly come before the meeting).

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained.

Q: What is the voting requirement to approve each of the proposals?

A: In the election of directors, the three persons receiving the highest number of FOR votes at the annual meeting will be elected. Any other proposals require the affirmative FOR vote of a majority of those shares present in person or represented by proxy and entitled to vote on that proposal at the annual meeting.

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Q: Is cumulative voting permitted for the election of directors?

A: No. Teekay does not allow you to cumulate your vote in the election of directors. For all matters proposed for shareholder action at the annual meeting, each share of common stock outstanding as of the close of business on the record date is entitled to one vote.

Q: What happens if additional matters are presented at the annual meeting?

A: Other than the one item of business described in this proxy statement, we are not aware of any business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxyholders, Kenneth Hvid, Vincent Lok and Arthur Bensler, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any unforeseen reason any of our nominees are not available as a candidate for director, the persons named as proxyholders will vote your proxy for such candidate or candidates as may be nominated by the Board, unless the Board chooses to reduce the number of directors serving on the Board.

Q: What should I do if I receive more than one set of voting materials?

A: If you request a printed set of voting materials, you may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a shareholder of record requesting printed voting materials and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q: How may I obtain a separate set of voting materials?

A: If you share an address with another shareholder and request a printed set of voting materials, you may receive only one set of proxy materials unless you have provided contrary instructions. If you wish to receive a separate set of proxy materials now or in the future, you may contact us to request a separate copy of these materials at:

Teekay Corporation

Suite 2000, Bentall 5

550 Burrard Street

Vancouver, BC V6C 2K2

Attention: Investor Relations

Telephone: (604) 844-6654

Email: investor.relations@teekay.com

Similarly, if you share an address with another shareholder and have received multiple copies of our proxy materials, you may contact us as indicated above to request delivery of a single copy of these materials in the future.

Q: Who will bear the cost of soliciting votes for the annual meeting?

A: Teekay is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing proxy materials and soliciting votes. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. Upon request, we will reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to shareholders.

Q: Where can I find the voting results of the annual meeting?

A: We intend to announce preliminary voting results at the annual meeting and publish final results in our report on Form 6-K for the second quarter of 2018.

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Q: What is the deadline to propose actions for consideration at next year's annual meeting of shareholders or to nominate individuals to serve as directors?

A: You may submit proposals, including director nominations, for consideration at future shareholder meetings as indicated below.

Shareholder Proposals

For a shareholder proposal to be considered for inclusion in Teekay's proxy statement for the annual meeting next year, the written proposal must be received by Teekay's Corporate Secretary at the address set forth below no later than December 31, 2018. Such proposals also will need to comply with Teekay's bylaws provisions regarding business to be brought before a shareholder meeting. Proposals should be delivered or sent by mail addressed to:

Corporate Secretary

Teekay Corporation

Suite 2000, Bentall 5

550 Burrard Street

Vancouver, BC V6C 2K2

For a shareholder proposal that is not intended to be included in Teekay's proxy statement as described above, the shareholder must deliver a proxy statement and form of proxy to holders of a sufficient number of shares of Teekay's common stock to approve that proposal, provide the information required by Teekay's bylaws and give timely notice to Teekay's Corporate Secretary in accordance with the bylaws, which, in general, require that the notice be received by the Corporate Secretary not less than 90 days or more than 120 days prior to the meeting date.

Nomination of Director Candidates

You may propose director candidates for consideration by the Board's Nominating and Governance Committee. Any such recommendation should include the nominee's name and qualifications for Board membership and should be directed to Teekay's Corporate Secretary at the address set forth above. Please read "Corporate Governance Principles and Board Matters - Consideration of Director Nominees" below. In addition, Teekay's bylaws permit shareholders to nominate directors for election at an annual shareholder meeting. To nominate a director, the shareholder must deliver a proxy statement and form of proxy to holders of a sufficient number of shares of Teekay common stock to elect such nominee and provide the information required by Teekay's bylaws, as well as a statement by the nominee acknowledging that he or she consents to being nominated and will owe a fiduciary obligation to Teekay and its shareholders if elected. In addition, the shareholder must give timely notice to Teekay's Corporate Secretary in accordance with the bylaws, which, in general, require that the notice be received by the Corporate Secretary within the time period described above under "Shareholder Proposals."

Copy of Bylaws Provisions

You may contact Teekay's Corporate Secretary at the address set forth above for a copy of the relevant bylaws provisions regarding the requirements for making shareholder proposals and nominating director candidates. Teekay's bylaws are also available under "Governance" in the "Investors - Teekay Corporation" section of Teekay's website at

www.teekay.com.

Q: How may I communicate with Teekay's Board or the non-management directors on Teekay's Board?

A: You may submit any communication intended for Teekay's Board or the non-management directors by directing the communication by mail or fax addressed to:

Teekay Corporation

4th Floor, Belvedere Building

69 Pitts Bay Road

Hamilton, HM 08 Bermuda

Attention: Chairman

Fax: (441) 292-3931

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CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

Teekay is committed to sound corporate governance principles. These principles contribute to Teekay's business success and are essential to maintaining Teekay's integrity in the marketplace. Teekay's Corporate Governance Guidelines and Standards of Business Conduct are available under Governance in the Investors Teekay Corporation section of our website at www.teekay.com. Although Teekay is a foreign private issuer, the Company has voluntarily chosen to comply in all material respects with the New York Stock Exchange (or NYSE) domestic corporate governance listing standards.

Board Independence

The Board has determined that each of our directors has no material relationship with Teekay (either directly or as a partner, shareholder or officer of an organization that has a relationship with Teekay) and is *independent* within the meaning of Teekay's director independence standards, which reflect the NYSE director independence standards, as currently in effect. In making this determination, the Board considered the relationships of C. Sean Day, Bjorn Moller, Rudolph Krediet and Heidi Locke Simon with our largest shareholder and concluded these relationships do not materially affect their independence as directors. Please read Certain Relationships and Related Party Transactions for additional information.

The Board has determined that each member of each of Teekay's Board committees has no material relationship with Teekay (either directly or as a partner, shareholder or officer of an organization that has a relationship with Teekay) and is independent within the meaning of Teekay's director independence standards. In addition, the Board has determined that each member of the Audit Committee also satisfies Teekay's Audit Committee member independence standards, which reflect applicable NYSE and SEC audit committee member independence standards.

Board Structure and Committee Composition

Teekay has chosen to separate the positions of Chairman of the Board and Chief Executive Officer and to have those positions occupied by different individuals, believing that the primary purpose of the Board and the Chairman of the Board is to protect shareholders' interests by providing independent oversight of management and that such separation consequently promotes greater management accountability to shareholders.

As of the date of this proxy statement, the Board has nine directors and the following three committees: (1) Audit; (2) Compensation and Human Resources; and (3) Nominating and Governance. The function of each of the committees is described later in this section. Each of the committees operates under a written charter adopted by the Board. All of the committee charters are available under Governance in the Investors Teekay Corporation section of our website at www.teekay.com. During 2017, the Board held ten meetings. Each director attended all Board meetings, with the exception of four directors, three of whom missed one meeting each and one of whom missed two meetings. Each director who was a member of a committee attended all applicable committee meetings, except for one committee member who missed one meeting. The membership of each of the committees for 2017 and as of the date of this proxy statement, and the number of meetings of each committee held during 2017 are as follows:

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Name of Director	Audit	Compensation and Human Resources	Nominating and Governance
<i>Non-Employee Directors:</i>			
Bill Utt			X
C. Sean Day		X	
Peter S. Janson		X*	
Rudolph Krediet		X	
Heidi Locke Simon	X		X
Bjorn Moller			X*
Tore I. Sandvold			X
Alan Semple	X*		
David Schellenberg	X	X	
Number of Meetings in 2017	7	4	4

X = Committee Member

* = Committee Chair

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Audit Committee

Teekay's Audit Committee is composed entirely of directors who satisfy applicable NYSE and SEC audit committee independence standards. All members of the committee are financially literate and the Board has determined that Alan Semple qualifies as an audit committee financial expert.

The Audit Committee assists the Board in fulfilling its responsibilities for general oversight of:

the integrity of Teekay's consolidated financial statements;

Teekay's compliance with legal and regulatory requirements;

the independent auditors' qualifications and independence; and

the performance of Teekay's internal audit function and independent auditors.

Specific duties of the Audit Committee include:

engagement of Teekay's independent auditor;

evaluation of the independent auditor's qualifications, performance and independence;

meeting with management and the independent auditor to review and discuss annual and quarterly consolidated financial statements, financial disclosure and, as applicable, the independent auditor's report on internal controls over financial reporting;

periodic assessment of accounting practices and policies and risk and risk management, including Teekay's policy on use of derivatives and its compliance with the policy;

review of Teekay's internal controls, internal audit function and corporate policies with respect to financial information;

periodic review with management, and if applicable, the independent auditor, of any material correspondence with or other material action by regulators or governmental agencies, any material legal affairs of Teekay, pension governance, and Teekay's compliance with applicable laws and listing standards;

review of all related-party transactions, including any transactions between Teekay and its officers or directors;

oversight of the hiring of any employees or former employees of the independent auditor, to ensure compliance with applicable regulations;

periodic review and monitoring of compliance with and the effectiveness of Teekay's Standards of Business Conduct;

overseeing the establishment of procedures for handling complaints concerning financial, accounting, internal accounting controls and auditing matters;

reporting to the Board on significant matters arising from the Committee's activities;

preparing an Audit Committee report for inclusion in the annual proxy statement;

annually reviewing the Audit Committee charter and the Committee's performance; and

periodically reviewing risks that may have a significant impact on Teekay's consolidated financial statements.

The Audit Committee works closely with Teekay's management, internal auditors and independent auditors. The Audit Committee has the authority to obtain advice and assistance from and receive appropriate funding from Teekay for outside legal, accounting and other advisors as the Audit Committee deems necessary to fulfill its duties. The Audit Committee meets at least quarterly and holds such other meetings as are necessary or appropriate for the Committee to fulfill its responsibilities. Periodically, the Audit Committee meets separately with management, with internal audit personnel and with the independent auditors to discuss matters that the Committee or the other groups believe deserve Committee attention. The report of the Audit Committee is included on page 28 of this proxy statement.

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Compensation and Human Resources Committee

Teekay's executive compensation program is administered by the Board's Compensation and Human Resources Committee (or the *Compensation Committee*). The Compensation Committee is composed entirely of non-employee directors who are independent, as determined by the Board, within the meaning of applicable NYSE standards.

The Compensation Committee:

reviews and approves corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluates the Chief Executive Officer's performance in light of these goals and objectives and determines the Chief Executive Officer's compensation;

reviews and approves the evaluation process and compensation structure for executives, other than the Chief Executive Officer, evaluates their performance and sets their compensation based on this evaluation;

reviews and makes recommendations to the Board regarding compensation for directors;

establishes and administers long-term incentive compensation and equity-based plans; and

oversees Teekay's other co