

IDEXX LABORATORIES INC /DE
Form DEFR14A
April 10, 2015
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED
IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. 1)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials

.. Soliciting Material Pursuant to §240.14a-12

IDEXX Laboratories, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies.

(2) Aggregate number of securities to which transaction applies:

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Table of Contents

EXPLANATORY NOTE

This revised proxy statement corrects a typographical error on the cover page of the previously filed proxy statement.

Table of Contents

IDEXX LABORATORIES, INC.

Notice of 2015 Annual Meeting of Stockholders

and

Proxy Statement

Wednesday, May 6, 2015, at 10:00 a.m., Eastern Time

Portland Marriott Hotel, 200 Sable Oaks, Drive, South Portland, Maine 04106

Table of Contents

idexx.com

One IDEXX Drive

Westbrook, Maine 04092

March 25, 2015

Dear Stockholder:

We invite you to attend our annual meeting of stockholders on Wednesday, May 6, 2015, beginning at 10:00 a.m., local time, at the Portland Marriott Hotel, 200 Sable Oaks Drive, South Portland, Maine 04106 (the 2015 Annual Meeting). At the 2015 Annual Meeting, we will conduct the business described in the attached notice and proxy statement. In addition, we will report on our business and introduce attendees to our Directors and senior leadership.

Pursuant to rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials over the Internet. Accordingly, our stockholders who held our shares as of the close of business on March 10, 2015, the record date for the 2015 Annual Meeting, will receive a Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability) describing how to access our proxy materials over the Internet on a website referred to in the Notice of Internet Availability or request to receive a printed or emailed set of proxy materials. These proxy materials will be available free of charge.

Whether you own few or many shares of stock, it is important that your shares be represented and voted at the 2015 Annual Meeting. Stockholders can vote their shares by telephone or on the Internet. Instructions for using these convenient services are provided in the proxy statement. You also can vote your shares by requesting a paper proxy card and completing, signing and returning it by mail. If you decide to attend the 2015 Annual Meeting, you will be able to vote in person, even if you previously have voted by another means.

If you are unable to attend the 2015 Annual Meeting, you can listen to a live webcast of the meeting on the Internet. You can access the webcast from the home page of our website, located at www.idexx.com. However, since you cannot vote your shares via the webcast, it is important that you timely vote your shares in advance, using one of the procedures mentioned above and as more fully described in the proxy statement.

We look forward to your participation in the annual meeting.

Sincerely,

Jonathan W. Ayers

President, Chief Executive Officer and

Chairman of the Board of Directors

Table of Contents

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One IDEXX Drive

Westbrook, Maine 04092

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of IDEXX Laboratories, Inc. (the Company), will be held on Wednesday, May 6, 2015, at 10:00 a.m., local time, at the Portland Marriott Hotel, 200 Sable Oaks Drive, South Portland, Maine 04106 (the 2015 Annual Meeting) for the following purposes:

1. *Election of Directors.* To elect the three Class I Directors listed in the attached proxy statement for three-year terms (Proposal One);
2. *Advisory Vote to Approve Executive Compensation.* To approve a nonbinding advisory resolution on the Company s executive compensation (Proposal Two);
3. *Amendments to IDEXX Laboratories, Inc. 1997 Employee Stock Purchase Plan.* To approve proposed amendments to the Company s 1997 Employee Stock Purchase Plan (Proposal Three);
4. *Ratification of Appointment of Independent Registered Public Accounting Firm.* To ratify the selection of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the current fiscal year (Proposal Four); and
5. *Other Business.* To conduct such other business as may properly come before the 2015 Annual Meeting or any adjournments thereof, including approving any such adjournment, if necessary.

The Company s Board of Directors has fixed the close of business on March 10, 2015 as the record date for the determination of stockholders entitled to notice of and to vote at the 2015 Annual Meeting.

If you would like to vote at the 2015 Annual Meeting, you must bring a form of personal identification. If your shares are held by a broker, bank or other nominee, you also must bring a letter from the nominee confirming your beneficial ownership of such shares and, if you intend to vote the shares, a proxy permitting you to vote the shares.

By order of the Board of Directors,

Jacqueline L. Studer, Corporate Vice
President, General Counsel and Secretary

Westbrook, Maine

March 25, 2015

It is important that your shares be represented and voted at the 2015 Annual Meeting. You can submit a proxy by telephone or Internet. Alternatively, you may request a paper proxy card, which you may complete, sign and return by mail.

Table of Contents

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PROXY STATEMENT FOR 2015 ANNUAL MEETING OF STOCKHOLDERS

May 6, 2015

This proxy statement (Proxy Statement) and the accompanying materials are being provided to you in connection with the solicitation by the Board of Directors of IDEXX Laboratories, Inc. of proxies to be voted at our 2015 annual meeting of stockholders to be held on Wednesday, May 6, 2015 at the Portland Marriott Hotel, 200 Sable Oaks Drive, South Portland, Maine 04106 (the 2015 Annual Meeting) and at any adjournment or postponement thereof.

In accordance with the rules and regulations of the Securities and Exchange Commission (SEC), instead of mailing a printed copy of our proxy materials to each stockholder, we are furnishing proxy materials to our stockholders via the Internet. If you received a Notice of Internet Availability, you will not receive a printed copy of the proxy materials unless you specifically request a printed copy. Instead, the Notice of Internet Availability will instruct you how to access and review all of the important information contained in the proxy materials. The Notice of Internet Availability also instructs you how to submit your proxy on the Internet and how to vote by telephone. If you would like to receive a printed or emailed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability.

The Notice of Internet Availability is first being sent to stockholders on or about March 25, 2015. Also on or about March 25, 2015, we will first make available to our stockholders this Proxy Statement and the form of proxy relating to the 2015 Annual Meeting, as well as our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on February 17, 2015, which we refer to in this Proxy Statement as the 2014 Annual Report.

Table of Contents

2015 PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>How Proxies Work</u>	1
<u>Who Can Vote</u>	1
<u>How to Vote</u>	1
<u>Revoking a Proxy</u>	2
<u>Quorum</u>	2
<u>Votes Needed</u>	2
<u>Broker Non-Votes</u>	2
<u>Conduct of Annual Meeting</u>	3
<u>Webcast of Annual Meeting</u>	3
<u>Voting on Other Matters</u>	3
<u>Solicitation of Proxies</u>	3
<u>Householding of Annual Meeting Materials</u>	3
<u>PROPOSAL ONE ELECTION OF DIRECTORS</u>	4
<u>PROPOSAL TWO ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION</u>	10
<u>PROPOSAL THREE AMENDMENT TO 1997 EMPLOYEE STOCK PURCHASE PLAN</u>	12
<u>PROPOSAL FOUR RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED</u>	
<u>PUBLIC ACCOUNTING FIRM</u>	17
<u>CORPORATE GOVERNANCE</u>	17
<u>Board of Directors</u>	17
<u>Director Independence</u>	18
<u>Related Person Transactions</u>	18
<u>Committees of the Board</u>	19
<u>Board's Leadership and Structure</u>	24
<u>Board's Role in Risk Oversight</u>	25
<u>Corporate Governance Guidelines and Code of Ethics</u>	26
<u>Policy on Short Sales, Derivative Transactions and Hedging</u>	27
<u>Communications from Stockholders</u>	27
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	27
<u>INDEPENDENT AUDITORS FEES</u>	28
<u>Audit Committee Pre-Approval Policy</u>	29
<u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u>	29
<u>EXECUTIVE OFFICERS OF THE COMPANY</u>	30
<u>EXECUTIVE COMPENSATION</u>	32
<u>Compensation Discussion and Analysis</u>	32
<u>Executive Summary</u>	32
<u>Executive Compensation Philosophy</u>	33
<u>Elements of Executive Compensation Program</u>	34

<u>2014 Say on Pay Advisory Vote on Executive Compensation</u>	36
<u>Competitive Benchmarking of Compensation</u>	36
<u>Compensation Policies and Agreements</u>	38
<u>Determination of Executive Compensation</u>	40
<u>2014 Executive Compensation Determinations</u>	45
<u>Compensation Committee Report</u>	48
<u>Executive Compensation Tables</u>	49
<u>Summary Compensation Table</u>	49
<u>2014 Grants of Plan-Based Awards</u>	50
<u>2014 Outstanding Equity Awards at Fiscal Year End</u>	52

Table of Contents

2015 PROXY STATEMENT

	Page
<u>2014 Option Exercises and Stock Vested</u>	54
<u>2014 Nonqualified Deferred Compensation</u>	54
<u>Equity Compensation Plan Information</u>	55
<u>2014 Incentive Compensation Plan</u>	56
<u>Stock Incentive Plans</u>	57
<u>Executive Bonus Recovery Policy</u>	58
<u>Potential Payments Upon Termination or Change-in-Control</u>	58
<u>DIRECTOR COMPENSATION</u>	63
<u>Director Compensation</u>	63
<u>Director Stock Ownership Guidelines</u>	66
<u>OWNERSHIP OF COMMON STOCK BY DIRECTORS AND OFFICERS</u>	67
<u>OWNERSHIP OF MORE THAN FIVE PERCENT OF OUR COMMON STOCK</u>	69
<u>REQUIREMENTS, INCLUDING DEADLINES, FOR SUBMISSION OF PROXY PROPOSALS,</u>	
<u>NOMINATION OF DIRECTORS AND OTHER BUSINESS OF STOCKHOLDERS</u>	70
<u>OTHER MATTERS</u>	70
<u>Appendix A IDEXX LABORATORIES, INC. 1997 EMPLOYEE STOCK PURCHASE PLAN</u>	A-1

* * * *

BASIS OF PRESENTATION

IDEXX Laboratories, Inc. is a Delaware corporation incorporated in 1983 with principal executive offices located at One IDEXX Drive, Westbrook, Maine 04092. Unless the context indicates otherwise, references in this Proxy Statement to we , us , our , the Company or IDEXX refer to IDEXX Laboratories, Inc. and its consolidated subsidiaries. Our website is located at www.idexx.com. References to our website in this Proxy Statement are inactive textual references only and the contents of our website are not incorporated by reference into this Proxy Statement for any purpose.

Table of Contents

2015 PROXY STATEMENT

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

How Proxies Work

The Company's Board of Directors is asking for your proxy. Giving us your proxy means that you authorize us to vote your shares at the 2015 Annual Meeting in the manner that you direct, or if you do not direct us, in the manner as recommended by the Board of Directors in this Proxy Statement. You can vote for the Director nominees or withhold your vote for one or all nominees. You also can vote for or against the other proposals or abstain from voting. If you request a proxy card, and return your signed proxy card, but do not give voting instructions, the shares represented by that proxy will be voted FOR each proposal as recommended by the Board of Directors.

Who Can Vote

Holders of the Company's common stock, \$.10 par value per share (Common Stock), at the close of business on March 10, 2015 are entitled to receive notice of and to vote their shares at the 2015 Annual Meeting. As of March 10, 2015, there were 46,842,636 shares of Common Stock outstanding. Each share of Common Stock is entitled to one vote on each matter properly brought before the 2015 Annual Meeting.

Most IDEXX stockholders hold their shares through a stockbroker, bank, trustee or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those beneficially owned in street name:

Stockholder of Record: If your shares are registered directly in your name with the Company's transfer agent, American Stock Transfer & Trust Company, you are considered the stockholder of record of those shares and these proxy materials are being made available directly to you by IDEXX. As the stockholder of record, you have the right to grant your voting proxy directly to IDEXX or to vote in person at the annual meeting.

Beneficial Owner of Shares Held in Street Name: If your shares are held in a brokerage account through a bank, broker, trustee or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being made available to you through your bank, broker, trustee or nominee. As the beneficial owner of shares held in street name, you have the right to direct your bank, broker, trustee, or nominee on how to vote and are also invited to attend the 2015 Annual Meeting. Your bank, broker, trustee or nominee is obligated to provide you with voting instructions for use in instructing the bank, broker, trustee or nominee how to vote these shares. However, since you are not the stockholder of record, you may not vote these shares in person at the meeting unless you have obtained a legal proxy from your bank, broker, trustee or nominee entitling you to vote your shares at the 2015 Annual Meeting.

How to Vote

You can vote in person at the 2015 Annual Meeting or by proxy. We recommend that you submit a proxy even if you plan to attend the 2015 Annual Meeting. You can revoke your proxy and change your vote at the 2015 Annual Meeting in one of the ways described below. All shares represented by proxies that have been properly voted and not revoked will be voted at the 2015 Annual Meeting.

We are offering stockholders four methods of voting:

You may vote over the Internet.

You may vote by telephone.

Table of Contents

2015 PROXY STATEMENT

If you are a registered holder of our shares, you may request a paper proxy card from us, and indicate your vote by completing, signing and dating the card where indicated and by mailing or otherwise returning the card in the prepaid envelope accompanying the paper proxy card.

You may vote in person at the 2015 Annual Meeting. If you attend the 2015 Annual Meeting, you will be able to vote your shares, even if you already voted by Internet, telephone or mail. However, if you are the beneficial owner of shares held in street name, you must obtain a proxy, executed in your favor, from the bank, broker, trustee or other nominee to be able to vote in person at the 2015 Annual Meeting.

Since you cannot vote your shares via the webcast described below, it is important that you vote your shares in advance of the 2015 Annual Meeting, using one of the procedures described above.

Revoking a Proxy

You can revoke your proxy, whether it was given by Internet, telephone or mail, before it is voted by:

Submitting a new proxy with a later date, including a proxy given via the Internet or by telephone;

Providing written notice to the Corporate Secretary of IDEXX before or at the 2015 Annual Meeting prior to the voting on any proposal, if you are a registered holder of our shares; or

Voting by ballot at the 2015 Annual Meeting.

The last vote you submit chronologically (by any means) will supersede your prior vote(s). Your attendance at the 2015 Annual Meeting will not, by itself, revoke your proxy.

Quorum

In order to transact business at the 2015 Annual Meeting, we must have a quorum. This means that at least a majority of the issued and outstanding shares entitled to vote must be represented at the 2015 Annual Meeting, either by proxy or in person. Abstentions and broker non-votes (which are described below) are counted as present and entitled to vote for purposes of determining a quorum. Treasury shares, which are shares owned by IDEXX itself, are not voted and do not count towards establishing a quorum. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

Votes Needed

The Director nominees who receive the most votes at the meeting will be elected to fill the seats on the Company's Board of Directors. Approval of the other proposals requires the favorable vote of a majority of the votes cast. Only votes for or against a proposal count as votes cast. Abstentions and broker non-votes (which are described below) are not counted as votes cast and, therefore, will have no effect on the outcome of the matters to be voted on at the annual meeting. Votes will be tabulated by an independent inspector of elections appointed for the 2015 Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. The preliminary voting results will be announced at the meeting. The final voting results will be tallied by the inspector of elections and reported in a Current Report on Form 8-K, which will be filed with the SEC within four business days after the 2015 Annual Meeting.

Broker Non-Votes

If you are a beneficial owner of shares held in street name and do not give voting instructions to your bank or brokerage firm, your bank or brokerage firm will be able to vote your shares with respect to certain

Table of Contents

2015 PROXY STATEMENT

discretionary items, but will not be allowed to vote your shares with respect to certain non-discretionary items. The ratification of the appointment of our independent registered public accounting firm (Proposal Four) is considered to be a discretionary item on which banks and brokerage firms may vote. The election of Directors (Proposal One), the advisory vote to approve executive compensation (Proposal Two), and the vote to approve amendments to the 1997 Employee Stock Purchase Plan (Proposal Three) are non-discretionary items on which your bank or brokerage firm may not vote without voting instructions from you. In the case of these non-discretionary items for which your bank or brokerage firm does not have voting instructions, the bank or brokerage firm is required to indicate on its proxy that it does not have discretionary authority to vote on these matters, and your shares will be treated as broker non-votes with respect to these proposals.

Conduct of Annual Meeting

Rules for the conduct of the 2015 Annual Meeting will be available at the meeting. Under our Amended and Restated By-Laws, the Chairman of the Board of Directors may adopt rules and procedures that he believes are appropriate to ensure that the 2015 Annual Meeting is conducted properly.

Webcast of Annual Meeting

The 2015 Annual Meeting will be webcast live on the Internet at 10:00 a.m., local time, on May 6, 2015. The webcast will include consideration of the proposals and our Chief Executive Officer's presentation regarding our business, and will provide audio and the accompanying graphic presentation, but will not include the question-and-answer session that follows the presentation. People accessing the webcast will not be able to ask questions or otherwise participate during the meeting. You can access the webcast from the home page of our website, www.idexx.com. Since you cannot vote your shares via the webcast, it is important that you vote your shares in advance of the 2015 Annual Meeting, using one of the procedures described above.

Voting on Other Matters

If other matters are properly presented at the 2015 Annual Meeting for consideration, the persons named in the proxy will have the discretion to vote on those matters for you. As of the date of this Proxy Statement, we do not know of any other matters to be raised at the 2015 Annual Meeting and the dates by which other matters to be voted on at the 2015 Annual Meeting must have been submitted by our stockholders pursuant to Rule 14a-8 of the Securities Exchange Act of 1934 (the 1934 Act) or our Amended and Restated By-Laws have passed.

Solicitation of Proxies

IDEXX will pay the expenses of the solicitation of proxies by our Board of Directors. Proxies can be solicited on our behalf by Directors, officers or employees, without additional remuneration, in person or by telephone, by mail, electronic transmission and facsimile transmission. We have hired MacKenzie Partners, Inc., to distribute and solicit proxies. We will pay MacKenzie Partners, Inc. a fee of approximately \$15,000, plus reasonable out-of-pocket expenses, for its services.

Brokers, banks, trustees and other nominees will be requested to make available proxy-soliciting material to the owners of Common Stock held in their names and, as required by law, IDEXX will reimburse them for their reasonable out-of-pocket expenses for this service.

Householding of Annual Meeting Materials

Some stockholders may be participating in the practice of householding proxy statements, annual reports, and the Notice of Internet Availability. This means that only one copy of such documents may

Table of Contents

2015 PROXY STATEMENT

have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of the Notice of Internet Availability, proxy statement or annual report if you call or write us at the following address or telephone number: Investor Relations, IDEXX Laboratories, Inc., One IDEXX Drive, Westbrook, Maine, 04092, Telephone: 207-556-8155. If you want to receive separate copies of the Notice of Internet Availability, proxy statement and annual report in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and telephone number.

PROPOSAL ONE

ELECTION OF DIRECTORS

The Board of Directors is divided into three classes, designated as Class I Directors, Class II Directors and Class III Directors. Members of each class hold office for three-year terms. Class I currently consists of three Directors whose terms expire at the 2015 Annual Meeting, Class II currently consists of three Directors whose terms expire at the 2017 annual meeting of stockholders and Class III currently consists of three Directors whose terms expire at the 2016 annual meeting of stockholders.

Upon recommendation of the Nominating and Governance Committee of the Board of Directors (the Nominating and Governance Committee), the Board of Directors has nominated Mr. William T. End, Dr. Barry C. Johnson and Mr. Daniel M. Junius to serve as Class I Directors with a term expiring at the 2018 annual meeting of stockholders. Each of Mr. End, Dr. Johnson and Mr. Junius are currently serving as Class I Directors, and each has indicated a willingness to serve, if elected. If any of the Director nominees becomes unable to serve, proxies can be voted for a substitute nominee, or the Board of Directors may choose to reduce the number of Directors.

The Company's Corporate Governance Guidelines require that Directors retire at the next annual meeting of stockholders after the date on which such director reaches the age of 73. Accordingly, Mr. Murray, a Class III Director who turned 73 since our last annual meeting, will retire at the 2015 Annual Meeting, one year prior to the expiration of his term as a Class III Director. In addition, Dr. Johnson, who is standing for re-election as a Class I Director at the 2015 Annual Meeting, will be required under our Corporate Governance Guidelines to retire as a Director prior to the expiration of his term as a Class I Director at the 2018 annual meeting of stockholders. Accordingly, the Board of Directors intends, following Dr. Johnson's re-election as a Class I Director at the 2015 Annual Meeting, to reassign him from Class I to fill the vacancy in Class III resulting from Mr. Murray's retirement. As a Class III Director, Dr. Johnson's term will expire at the 2016 annual meeting of stockholders.

After Dr. Johnson's reassignment, the Board of Directors expects to reduce the number of Directors constituting the Board from nine to eight and the number of Class I Directors from three to two.

There are no family relationships among the executive officers or Directors of IDEXX.

Information relating to each Director is described below, including: his or her age and period of service as a Director of the Company; his or her business experience during the past five years (including directorships at other public companies); his or her membership on committees of the Board of Directors; and the other experience, qualifications,

attributes or skills that led the Nominating and Governance Committee and the Board of Directors to conclude he or she should continue to serve as a Director of the Company. For a further discussion of the Board of Directors process and reasons for nominating these candidates, see the information under the heading Corporate Governance Committees of the Board Nominating and Governance Committee below.

Table of Contents

2015 PROXY STATEMENT

Nominees for Class I Directors Whose Terms Would Expire in 2018

William T. End	Director since July 2000
Age 67	Independent Director
	Lead Director
	Compensation Committee
	Nominating and Governance Committee

Mr. End was Chairman and Chief Executive Officer of Cornerstone Brands, Inc., a privately-held catalog retailer, from 1995 to 2001, and Executive Chairman of that company from 2001 until his retirement in 2002. In these executive roles, Mr. End was responsible for all corporate functions as well as board function and activity. Prior to joining Cornerstone Brands, Mr. End held various positions at Lands End, Inc., a publicly traded catalog retailer, from 1991 to 1995, including President and Chief Executive Officer. From 1975 to 1991, Mr. End held various positions at L.L. Bean, Inc., a privately-held catalog retailer, including Executive Vice President and Chief Marketing Officer. Mr. End has significant executive experience with a particular focus on marketing and product development. Mr. End was a director and chairman of Eddie Bauer Holdings, Inc., a catalog retailer, from 2005 to 2009, a director of New England Business Services, Inc., a business-to-business direct marketing company, from 2000 to 2003, Hannaford Bros. Co., a supermarket and grocery retailer, from 1995 to 2000, and Lands End, Inc. from 1991 to 1995. He also has been a director of several non-public companies. In these capacities, Mr. End has developed significant experience with board function and corporate governance. Mr. End received a B.S.B.A. from Boston College and earned an M.B.A. from Harvard Business School. The Board of Directors values Mr. End's extensive public and private company board and general management experience, particularly in the areas of sales and marketing.

Barry C. Johnson, Ph.D.	Director since March 2006
Age 71	Independent Director
	Finance Committee (Chair)

Dr. Johnson served as Dean, College of Engineering, Villanova University, from August 2002 until his retirement in May 2006. From July 2000 to April 2002, he served as Senior Vice

President and Chief Technology Officer of Honeywell International, Inc., a worldwide diversified technology and manufacturing company with sales in 2001 exceeding \$23 billion. As Chief Technology Officer, Dr. Johnson was responsible for setting the strategic direction and prioritization of Honeywell's research and development organization, which was supported by a global network of more than 15,000 engineers, scientists and researchers. Prior to Honeywell, Dr. Johnson served in several roles beginning in 1976 at Motorola, Inc., a global leader in providing integrated communications solutions, including Corporate Vice President and Chief Technology Officer for that company's Semiconductor Product Sector. Dr. Johnson also has board oversight and corporate governance experience from his service as a director since September 2005 of Rockwell Automation, Inc., a publicly-traded global automation solutions company, and as a director since August 2003 of Cytec Industries, Inc., a publicly-traded global specialty chemicals and materials company. Dr. Johnson earned a B.M.E. (Bachelor of Mechanical Engineering) from Villanova University and holds a Ph.D. and M.S. in metallurgical engineering and materials science from Carnegie-Mellon University. He also completed a three-year advanced business administration program through Arizona State University's College of Business Administration. The Board of Directors values Dr. Johnson's substantial experience as a senior executive for, and director of, various technology companies and for his expertise in scientific research and product development.

Table of Contents

2015 PROXY STATEMENT

Daniel M. Junius	Director since March 2014
Age 62	Independent Director
	Audit Committee (Chair)
	Finance Committee

Mr. Junius has served as President and Chief Executive Officer of ImmunoGen, Inc., a biotechnology company that develops targeted anticancer therapeutics, since January 2009. Prior to that, he served as President and Chief Operating Officer and Acting Chief Financial Officer of ImmunoGen from July 2008 to December 2008, as Executive Vice President and Chief Financial Officer from 2006 to July 2008, and as Senior Vice President and Chief Financial Officer from 2005 to 2006. Mr. Junius has also served as a director of ImmunoGen since November 2008. Before joining ImmunoGen, Mr. Junius was Executive Vice President and Chief Financial Officer of New England Business Service, Inc. (NEBS), a business-to-business direct marketing company, from 2002 until its acquisition by Deluxe Corporation in 2004 and Senior Vice President and Chief Financial Officer of NEBS from 1998 to 2002. Prior to NEBS, he was Vice President and Chief Financial Officer of Nashua Corporation, a manufacturer and marketer of specialty imaging paper and label products and services. He joined Nashua Corporation in 1984 and held financial management positions of increasing responsibility before becoming Chief Financial Officer of that company in 1996. Mr. Junius holds a Bachelor of Arts in Political Science from Boston College and a Masters in Management from Northwestern University's Kellogg School of Management. The Board of Directors values Mr. Junius's depth of executive leadership, strategic thinking and financial expertise, as well as his extensive biotechnology knowledge.

Class II Directors Whose Terms Expire in 2017

Thomas Craig	Director since December 1999
Age 60	Independent Director
	Audit Committee
	Compensation Committee

Mr. Craig is the Chairman and CEO of Shockwave International, a firm whose mission is to work with principal investors and startup companies to help create competitive advantage by combining ideas, human assets, capital, networks and asymmetric intelligence. Mr. Craig has held this position since May 2012. Mr. Craig co-founded and was a Director/Partner at Monitor Group (formerly Monitor Company), a global management consulting firm, until May 2012 when he retired after 29 years of service. Mr. Craig has broad international and industry experience. He has worked in over 70 countries on six continents and has led over 400 projects over the past 34 years for Fortune 500 companies (and their international equivalents), startups, and at the highest levels of government. Earlier in his career, Mr. Craig served on the research faculty of the Harvard Business School where he published 14 case studies and simulation programs. He also worked in the field of litigative economics. He has been active in delivering various executive education programs and leadership development initiatives. Mr. Craig received his undergraduate degree from Princeton University and an M.B.A., with high distinction, from the Harvard Business School. The Board of Directors values Mr. Craig's extensive experience in impartial counseling, leadership and human asset development, global enterprise, growth strategies, and entrepreneurial endeavors because they are at the heart of the Company's ongoing competitiveness. Additionally, the Board of Directors values his extensive experience as an IDEXX director and his contributions to the Company's ongoing strong financial and stock performance.

Table of Contents

2015 PROXY STATEMENT

Rebecca M. Henderson, Ph.D.	Director since July 2003
Age 54	Independent Director
	Finance Committee
	Nominating and Governance Committee (Chair)

Dr. Henderson joined Harvard Business School in July 2009 as the Senator John Heinz Professor of Environmental Management where she specializes in strategy and organizational change. In September 2011, Dr. Henderson received Harvard University's highest faculty honor when she was named a Harvard University Professor. From 1998 to 2009, Dr. Henderson served as the Eastman Kodak Professor of Management at the Sloan School of the Massachusetts Institute of Technology. Dr. Henderson also has board oversight and corporate governance experience as a director since July 2009 of Amgen Inc., a publicly-traded human therapeutics company in the biotechnology industry, and as a director of several private company and non-profit organization boards. Dr. Henderson also has been a research fellow at the National Bureau of Economic Research since 1995. Dr. Henderson holds an undergraduate degree from the Massachusetts Institute of Technology and a Ph.D. in business economics from Harvard University. Dr. Henderson has worked with numerous Fortune 500 companies on growth strategies related to innovation. The Board of Directors values her substantial experience in corporate strategy with a focus on high-technology business.

Sophie V. Vandebroek, Ph.D.	Director since July 2013
Age 53	Independent Director
	Finance Committee
	Nominating and Governance Committee

Dr. Vandebroek has been an executive with Xerox Corporation, the world's leading enterprise for business process and document management, since 2002. Most recently, Dr. Vandebroek has been serving as Xerox's Chief Technology Officer and Corporate Vice President, as well as President of the Xerox Innovation Group since 2006. She is responsible for overseeing Xerox's research centers in Europe, Asia, Canada and the U.S., as well as the Palo Alto Research Center, for which she has served as sole director since 2008. Prior to her current positions, from 2002 to 2005, Dr. Vandebroek was Chief Engineer of Xerox and Vice President of the Xerox Engineering Center.

Dr. Vandebroek is a Fellow of the Institute of Electrical & Electronics Engineers, a Fulbright Fellow and a Fellow of the Belgian-American Educational Foundation. Dr. Vandebroek was inducted into the Women in Technology International Hall of Fame and elected into the Royal Flemish Academy for Arts & Sciences. Dr. Vandebroek holds more than a dozen U.S. patents and serves on the advisory council of the Dean of Engineering at the Massachusetts Institute of Technology. Dr. Vandebroek has also served as a member of the board of directors of Analogic Corporation, a designer and manufacturer of advanced medical imaging and airport security systems, since 2008. Dr. Vandebroek holds an undergraduate degree in engineering and a master's degree in electro-mechanical engineering from Katholieke Universiteit Leuven, Leuven, Belgium, and she holds a Ph.D. in electrical engineering from Cornell University in Ithaca, New York. The Board of Directors values her depth of knowledge and experience in technology and business processes as well as her track record of innovation and managing balanced R&D portfolios for large global enterprises.

Table of Contents

2015 PROXY STATEMENT

Class III Directors Whose Terms Expire in 2016**Jonathan W. Ayers**

Director and Chairman of the Board since January 2002

Age 58

Mr. Ayers has been Chairman of the Board, President and Chief Executive Officer of IDEXX since January 2002. Prior to joining IDEXX, Mr. Ayers held various positions at United Technologies Corporation, a provider of high-technology products and support services to customers in the aerospace and building industries worldwide, and its business unit Carrier Corporation. From 1999 to 2001, Mr. Ayers was President of Carrier Corporation, the then-largest business unit of United Technologies and the world's largest manufacturer of commercial and residential HVAC systems and equipment and the leading producer of commercial and transport refrigeration equipment. From 1997 to 1999, Mr. Ayers was President of Carrier's Asia Pacific Operations, and from 1995 to 1997, Mr. Ayers was Vice President, Strategic Planning at United Technologies. In his roles at United Technologies, Mr. Ayers gained significant operating experience in leading a global business unit; developed management, finance and strategic planning skills; and developed experience in acquisition integration, line and international operations, and marketing and product development. Prior to joining United Technologies, from 1986 to 1995, Mr. Ayers held various positions at Morgan Stanley & Co. in mergers and acquisitions and corporate finance. Mr. Ayers worked as a strategy consultant for Bain & Company from 1983 to 1986 and was in the field sales organization of IBM's Data Processing Division from 1978 to 1981. Mr. Ayers holds an undergraduate degree in molecular biophysics and biochemistry from Yale University and graduated from Harvard Business School in 1983 with high distinction. The Board of Directors values Mr. Ayers's significant and diverse experience in many areas that are relevant to the company and its operations, including global business management, international operations, financial and strategic planning, business development, marketing, product development and technology. The Board of Directors also values Mr. Ayers's successful leadership of the Company over 13 years, including the Company's record of creating an exceptional, above-market return for its stockholders during this extended period.

M. Anne Szostak

Director since July 2012

Age 64

Independent Director

Audit Committee

Compensation Committee (Chair)

In 2004, Ms. Szostak founded Szostak Partners, an executive coaching and human resources consulting firm, for which she continues to serve as Chief Executive Officer. Before founding Szostak Partners, Ms. Szostak had a 31-year career with Fleet/Boston Financial Group (now Bank of America), a Fortune 100 publicly-traded, diversified financial services company. During her tenure at Fleet/Boston, she gained extensive operational and staff management responsibilities, including as Chairman, President and Chief Executive Officer of Fleet-Maine, Chairman and Chief Executive Officer of Fleet Bank-Rhode Island, and Corporate Executive Vice President and Chief Human Resources Officer of FleetBoston Financial Group. Ms. Szostak has substantial expertise in compensation and governance matters, and audit and investments through her 20 years of experience on various public company boards. Among them, Ms. Szostak served or has served as a director of the following public companies during the years indicated: Tupperware Brands Corporation, a consumer-direct seller of personal and household items (since 2000); Belo Corp., an owner and operator of television stations and their associated websites (from 2004 until the company's sale in December 2013);

Table of Contents

2015 PROXY STATEMENT

ChoicePoint Corporation, a data aggregation company (from 2005 until the company's sale in 2008); SFN Group, a staffing solutions provider (from 2005 until the company's sale in 2011); and Dr Pepper Snapple Group, Inc., a beverage manufacturer, bottler and distributor (since 2008). Ms. Szostak also serves on the boards of several local, regional and national non-profit organizations. Ms. Szostak holds an undergraduate degree from Colby College, and she has completed several executive education programs at Harvard Business School. The Board of Directors values Ms. Szostak's significant background in management, finance and human resources, as well as her extensive public company board experience.

Class III Director Who Will be Retiring in May 2015**Robert J. Murray**

Director since February 2005

Age 73

Independent Director

Compensation Committee

Nominating and Governance Committee

Mr. Murray served as Chairman of the Board and Chief Executive Officer of New England Business Service, Inc. (NEBS) from 1995 until his retirement in 2004. NEBS was a publicly-traded business-to-business direct marketing company and had over \$500 million in sales during the last fiscal year prior to Mr. Murray's retirement. As the Chief Executive Officer of NEBS, Mr. Murray was responsible for all aspects of the business. Mr. Murray held various executive positions at The Gillette Company from 1961 to 1995, including Executive Vice President, North Atlantic Group from 1991 to 1995, and Chairman of the Board of Management of Braun AG, a subsidiary of Gillette headquartered in Germany, from 1985 to 1990. In these positions, Mr. Murray developed substantial experience in international business operations and led all aspects of the business for these divisions. Mr. Murray has served as a director for the following public companies during the years indicated: The Hanover Insurance Group, Inc., a property and casualty insurance company (since 1996); LoJack Corporation, an automobile security system manufacturer (since 1992); Tupperware Brands Corporation, a consumer-direct seller of personal and household products (since 2004); and Delhaize Group, an international food retailer based in Belgium (from 2001 to 2012). Mr. Murray received a B.S and B.A. from Boston College and an M.B.A. from Northeastern University and he completed Harvard Business School's Advanced Management Program. The Board of Directors values Mr. Murray's background as a chief executive as well as a leader of a major business unit of a large multi-national corporation, and as a director of several public companies, which has provided him with extensive general management skills and experience in board function and corporate governance.

Recommendation of the Board of Directors

The Board of Directors recommends that you vote **FOR** the election of the three Class I Director nominees listed above.

Table of Contents

2015 PROXY STATEMENT

PROPOSAL TWO

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

As required by Section 14A of the 1934 Act, which was enacted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are asking our stockholders to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC. This proposal is commonly referred to as say-on-pay.

We asked our stockholders at the 2014 annual meeting of stockholders to approve the compensation of our named executive officers on an advisory basis as disclosed in the proxy statement for the 2014 annual meeting. Our stockholders overwhelmingly approved the proposal, with approximately 99% of the votes cast in favor of the executive officer compensation. The Board of Directors believes that this vote affirmed stockholders' support of the Company's executive compensation program.

We asked our stockholders at the 2011 annual meeting of stockholders to indicate if we should hold an advisory vote to approve the compensation of our named executive officers every one, two or three years, and more than 93% of the votes cast were in favor of an annual advisory vote. Given this high vote in favor of an annual advisory vote, our Board of Directors has decided to submit the say-on-pay advisory vote to stockholders each year.

As described in detail in our Compensation Discussion and Analysis set forth below, we maintain a simple executive compensation program that consists almost entirely of base salary, annual performance-based cash bonuses, and equity-based long-term incentives. These elements of compensation have been selected by the Compensation Committee of the Board of Directors (the Compensation Committee) because the committee believes that they effectively achieve the fundamental goals of our compensation program, which are to attract, motivate, and retain highly skilled executives; to create alignment between management and stockholder interests by establishing a strong connection between compensation, stock ownership and creation of stockholder value; and to reward executives for building a highly engaged, high-performance culture that aligns with the Company's guiding principles of sustaining market leadership, exceeding the expectations of our customers, empowering and rewarding our employees, innovating with intelligence, cultivating entrepreneurial spirit and contributing to our communities.

Annual performance-based cash bonuses for the Chief Executive Officer and his direct reports are determined in accordance with the Senior Executive Team Incentive Plan, or the SET Incentive Plan, as described below under the heading Compensation Discussion and Analysis. The SET Incentive Plan, which contains both financial and non-financial performance targets, was implemented in order to further align the payment of annual bonuses to our senior executives to overall Company performance and to the near-term performance of the Company's long-term business objectives.

With very limited exceptions described below under Compensation Discussion and Analysis Determination of Executive Compensation Benefits and Perquisites, the Company does not provide any compensation or benefit plans to executive officers that are not also available to other salaried employees. Annual compensation decisions for executive officers are made by the Compensation Committee based on performance and market-related benchmarks on executive compensation of our peer group as well as other similarly-situated companies, as described below in our

Compensation Discussion and Analysis.

Features of our executive compensation program include the following:

A majority of total executive compensation, delivered in the form of annual performance-based cash bonuses and equity awards, is not fixed and is contingent on achievement of long-term goals, annual financial performance and the performance of the Company's Common Stock over the long term.

Table of Contents

2015 PROXY STATEMENT

Base salary, annual performance-based bonus opportunity, and equity-based long-term incentive value are targeted to approximately the market median of the Company's peer group proxy data and survey compensation data.

Pursuant to the SET Incentive Plan, the annual performance-based cash bonus plan for the Chief Executive Officer and his direct reports is based on two equally weighted factors: (i) Company financial performance measured against specific metrics selected by the Compensation Committee, and (ii) achievement of Company-wide non-financial performance goals focused on strengthening and positioning the Company for sustained future growth and profitability.

Our equity awards, which consist of stock options and restricted stock units, typically vest ratably over a five-year period, which aligns interests of executive officers and stockholders.

We maintain stock ownership requirements for all executive officers and members of our Board of Directors, further aligning the interests of management and stockholders.

The Compensation Committee annually reviews our executive compensation against our peer group proxy data and survey compensation data to assess whether our total executive compensation is both competitive and appropriate.

The Compensation Committee annually reviews risk associated with our compensation programs to determine whether our programs may subject the Company to risks that are reasonably likely to have a material adverse effect on the Company.

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PS-14

Table of Contents

as investing directly in each underlier or in each underlying index or in any of the respective underlier stocks or in any of the respective stocks comprising such underlying index, and will not be the same as investing in a debt security with a payment at maturity linked to the performance of each underlying index.

An Investment in the Offered Notes Is Subject to Risks Associated with Foreign Securities Markets

The value of your notes is linked, in part, to the iShares® MSCI EAFE ETF, which is comprised of stocks from one or more foreign securities markets, and, in part, to the iShares® MSCI Emerging Markets ETF, which holds stocks traded in the equity markets of emerging market countries. Investments linked to the value of foreign equity securities involve particular risks. Any foreign securities market may be less liquid, more volatile and affected by global or domestic market developments in a different way than are the U.S. securities market or other foreign securities markets. Both government intervention in a foreign securities market, either directly or indirectly, and cross-shareholdings in foreign companies, may affect trading prices and volumes in that market. Also, there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission. Further, foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

The prices of securities in a foreign country are subject to political, economic, financial and social factors that are unique to such foreign country's geographical region. These factors include: recent changes, or the possibility of future changes, in the applicable foreign government's economic and fiscal policies; the possible implementation of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities; fluctuations, or the possibility of fluctuations, in currency exchange rates; and the possibility of outbreaks of hostility, political instability, natural disaster or adverse public health developments. The United Kingdom has voted to leave the European Union (popularly known as "Brexit"). The effect of Brexit is uncertain, and Brexit has and may continue to contribute to volatility in the prices of securities of companies located in Europe and currency exchange rates, including the valuation of the euro and British

pound in particular. Any one of these factors, or the combination of more than one of these factors, could negatively affect such foreign securities market and the price of securities therein. Further, geographical regions may react to global factors in different ways, which may cause the prices of securities in a foreign securities market to fluctuate in a way that differs from those of securities in the U.S. securities market or other foreign securities markets. Foreign economies may also differ from the U.S. economy in important respects, including growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency, which may have a positive or negative effect on foreign securities prices.

Because foreign exchanges may be open on days when the underliers are not traded, the value of the securities underlying the underliers may change on days when shareholders will not be able to purchase or sell shares of the underliers. This could result in premiums or discounts to an underlier's net asset value that may be greater than those experienced by an underlier that does not hold foreign assets.

The countries whose markets are represented by the iShares® MSCI Emerging Markets ETF include Brazil, Chile, China, Colombia, the Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates. Countries with emerging markets may have relatively unstable governments, may present the risks of nationalization of businesses, restrictions on foreign ownership and prohibitions on the repatriation of assets, and may have less protection of property rights than more developed countries. The economies of countries with emerging markets may be based on only a few industries, may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme and volatile debt burdens or inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times. It will also likely be more costly and difficult for the underliers sponsor to enforce the laws or regulations of a foreign country or trading facility, and it is possible that the foreign country or trading facility may not have laws or regulations which adequately protect the rights and interests of investors in the stocks included in the underliers.

PS-15

Table of Contents

Your Investment in the Notes Will Be Subject to Foreign Currency Exchange Rate Risk

The underliers hold assets that are denominated in non-U.S. dollar currencies. The value of the assets held by the underliers that are denominated in non-U.S. dollar currencies will be adjusted to reflect their U.S. dollar value by converting the price of such assets from the non-U.S. dollar currency to U.S. dollars.

Consequently, if the value of the U.S. dollar strengthens against the non-U.S. dollar currency in which an asset is denominated, the level of an underlier may not increase even if the non-dollar value of the asset held by such underlier increases.

Foreign currency exchange rates vary over time, and may vary considerably during the term of your notes. Changes in a particular exchange rate result from the interaction of many factors directly or indirectly affecting economic and political conditions. Of particular importance are:

- existing and expected rates of inflation;
- existing and expected interest rate levels;
- the balance of payments among countries;
- the extent of government surpluses or deficits in the relevant foreign country and the United States; and
- other financial, economic, military and political factors.

All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the governments of the relevant foreign countries and the United States and other countries important to international trade and finance.

The market price of the notes and levels of the underliers could also be adversely affected by delays in, or refusals to grant, any required governmental approval for conversions of a local currency and remittances abroad or other de facto restrictions on the repatriation of U.S. dollars.

It has been reported that the U.K. Financial Conduct Authority and regulators from other countries are in the process of investigating the potential manipulation of published currency exchange rates. If such manipulation has occurred or is continuing, certain published exchange rates may have been, or may be in the future, artificially lower (or higher) than they would otherwise have been. Any such manipulation could have an adverse impact on any payments on, and the value of, your notes and the trading market for your notes. In addition, we cannot predict whether any changes or reforms affecting the determination or publication of exchange rates or the supervision of

currency trading will be implemented in connection with these investigations. Any such changes or reforms could also adversely impact your notes.

The Return on Your Notes Will Not Reflect Any Dividends Paid on the Underliers or the Underlier Stocks

The return on your notes will not reflect the return you would realize if you actually owned the underliers and received the distributions paid on the shares of such underliers. You will not receive any dividends that may be paid on any of the underlier stocks by the underlier stock issuers or the shares of the underliers. See “— You Have No Shareholder Rights or Rights to Receive Any Shares of the Underliers or Any Underlier Stock” below for additional information.

You Have No Shareholder Rights or Rights to Receive Any Shares of the Underliers or Any Underlier Stock
Investing in your notes will not make you a holder of any shares of the underliers or any underlier stocks. Neither you nor any other holder or owner of your notes will have any rights with respect to the underliers or the underlier stocks, including any voting rights, any right to receive dividends or other distributions, any rights to make a claim against the underliers or the underlier stocks or any other rights of a holder of any shares of the underliers or the underlier stocks. Your notes will be paid in cash and you will have no right to receive delivery of any shares of the underliers or any underlier stocks.

Your Notes May Not Have an Active Trading Market
Your notes will not be listed or displayed on any securities exchange or included in any interdealer market quotation system, and there may be little or no secondary market for your notes. Even if a secondary market for your notes develops, it may not provide significant liquidity and we expect that transaction costs in any

PS-16

Table of Contents

secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial.

We May Sell an Additional Aggregate Face Amount of the Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate face amount of the notes subsequent to the date of this pricing supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the issue price you paid as provided on the cover of this pricing supplement.

The Tax Consequences of an Investment in Your Notes Are Uncertain

The tax consequences of an investment in your notes are uncertain, both as to the timing and character of any inclusion in income in respect of your notes.

The Internal Revenue Service announced on December 7, 2007 that it is considering issuing guidance regarding the tax treatment of an instrument such as your notes, and any such guidance could adversely affect the value and the tax treatment of your notes.

Among other things, the Internal Revenue Service may decide to require the holders to accrue ordinary income on a current basis and recognize ordinary income on payment at maturity, and could subject non-U.S. investors to withholding tax. Furthermore, in 2007, legislation was introduced in Congress that, if enacted, would have required holders that acquired instruments such as your notes after the bill was enacted to accrue interest income over the term of such instruments even though there will be no interest payments over the term of such instruments. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your notes. We describe these developments in more detail under “Supplemental Discussion of U.S. Federal Income Tax Consequences – United States Holders – Possible Change in Law” below. You should consult your tax advisor about this matter.

Except to the extent otherwise provided by law, GS Finance Corp. intends to continue treating the notes for U.S. federal income tax purposes in accordance with the treatment described under “Supplemental Discussion of U.S. Federal Income Tax Consequences” on page PS-28 below unless and until such time as Congress, the Treasury Department or the Internal Revenue Service determine that some other treatment is more appropriate. Please also consult your tax advisor concerning the U.S. federal income tax and any other applicable tax consequences to you of owning your

notes in your particular circumstances.

Your Notes May Be Subject to the Constructive Ownership Rules

There exists a risk that the constructive ownership rules of Section 1260 of the Internal Revenue Code could apply to your notes. If your notes were subject to the constructive ownership rules, then any long-term capital gain that you realize upon the sale, exchange or maturity of your notes would be re-characterized as ordinary income (and you would be subject to an interest charge on deferred tax liability with respect to such re-characterized capital gain) to the extent that such capital gain exceeds the amount of “net underlying long-term capital gain” (as defined in Section 1260 of the Internal Revenue Code). Because the application of the constructive ownership rules is unclear you are strongly urged to consult your tax advisor with respect to the possible application of the constructive ownership rules to your investment in the notes.

Foreign Account Tax Compliance Act (FATCA) Withholding May Apply to Payments on Your Notes, Including as a Result of the Failure of the Bank or Broker Through Which You Hold the Notes to Provide Information to Tax Authorities

Please see the discussion under “United States Taxation — Taxation of Debt Securities — Foreign Account Tax Compliance Act (FATCA) Withholding” in the accompanying prospectus for a description of the applicability of FATCA to payments made on your notes. Pursuant to recently proposed regulations, the Treasury Department has indicated its intent to eliminate the requirements under FATCA of withholding on gross proceeds from the sale, exchange, maturity or other disposition of relevant financial instruments. The Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization.

PS-17

Table of Contents

THE UNDERLIERS

The iShares® MSCI EAFE ETF

The shares of the iShares® MSCI EAFE ETF (the “ETF”) are issued by iShares® Trust, a registered investment company.

The ETF is a tracking ETF that seeks investment results which correspond generally to the price and yield performance, before fees and expenses, of its underlying index.

The index it tracks is the MSCI EAFE Index (the “underlying index”).

Investment Advisor: BlackRock Fund Advisors (“BFA”).

The ETF’s shares trade on the NYSE Arca under the ticker symbol “EFA”.

The iShares® Trust’s SEC CIK Number is 0001100663.

The ETF’s inception date was August 14, 2001.

The ETF’s shares are issued or redeemed only in creation units of 600,000 shares or multiples thereof.

We obtained the following fee information from the iShares® website without independent verification. The investment advisor is paid a management fee from the ETF based on the ETF’s allocable portion of an aggregate management fee based on the aggregate average daily net assets of the ETF and a set of other specified iShares® funds (the “funds”) as follows: 0.35% per annum of the aggregate net assets of the funds less than or equal to \$30.0 billion, plus 0.32% per annum of the aggregate net assets of the funds on amounts in excess of \$30.0 billion, up to and including \$60.0 billion, plus 0.28% per annum of the aggregate net assets of the funds on amounts in excess of \$60.0 billion, up to and including \$90.0 billion, plus 0.252% per annum of the aggregate net assets of the funds on amounts in excess of \$90.0 billion, up to and including \$120.0 billion, plus 0.227% per annum of the aggregate net assets of the funds on amounts in excess of \$120.0 billion, up to and including \$150.0 billion, plus 0.204% per annum of the aggregate net assets of the funds on amounts in excess of \$150.00 billion. As of September 30, 2018, the aggregate expense ratio of the ETF was 0.32% per annum.

For additional information regarding iShares® Trust or BFA, please consult the reports (including the Annual Report to Shareholders on Form N-CSR for the period ended July 31, 2018) and other information iShares® Trust files with the SEC. In addition, information regarding the ETF, including its top portfolio holdings, may be obtained from other sources including, but not limited to, press releases, newspaper articles, other

publicly available documents, and the iShares® website at

us.ishares.com/product_info/fund/overview/EFA.htm.

We are not incorporating by reference the website, the sources listed above or any material they include in this pricing supplement.

Investment Objective

The ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the underlying index. The ETF's investment objective and the underlying index may be changed without the approval of BFA's shareholders.

The following table displays the top holdings and weightings by industry sector of the ETF. (Sector designations are determined by the ETF sponsor using criteria it has selected or developed. Index and ETF sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices or ETFs with different sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices or ETFs.) We obtained the information in the tables below from the ETF website without independent verification.

Notwithstanding the ETF's investment objective, the return on your notes will not reflect any dividends paid on the ETF shares, on the securities purchased by the ETF or on the securities that comprise the underlying index.

PS-18

Table of Contents

iShares® MSCI EAFE ETF Top Ten Holdings as of
January 14, 2019

<u>ETF Stock Issuer</u>	<u>Percentage (%)</u>
NESTLE SA	1.99%
NOVARTIS AG	1.45%
ROCHE HOLDING PAR AG	1.39%
HSBC HOLDINGS PLC	1.26%
TOYOTA MOTOR CORP	1.10%
ROYAL DUTCH SHELL PLC	1.07%
BP PLC	1.03%
TOTAL SA	0.99%
ROYAL DUTCH SHELL PLC CLASS B	0.89%
AIA GROUP LTD	0.79%
Total	11.96%

iShares® MSCI EAFE ETF Weighting by Sector as of
January 14, 2019*

<u>Sector</u>	<u>Percentage (%)</u>
Financials	19.47%
Consumer Discretionary	11.22%
Industrials	14.18%
Consumer Staples	11.23%
Health Care	11.04%
Materials	7.29%
Information Technology	5.85%
Communication	5.60%
Energy	5.87%
Real Estate	3.74%
Utilities	3.75%
Cash and/or Derivatives	0.75%
Total	99.99%

* Percentages may not sum to 100% due to rounding.

The Global Industry Classification Structure, which MSCI utilizes to classify the constituents of the MSCI EAFE Index, was updated in September 2018. Please see “ The MSCI EAFE Index” below for additional information about these updates.

PS-19

Table of Contents

iShares® MSCI EAFE ETF Weighting by Country as of
January 14, 2019*

<u>Country</u>	<u>Percentage (%)</u>
Japan	24.71%
United Kingdom	16.74%
France	10.75%
Germany	8.74%
Switzerland	8.65%
Australia	6.92%
Hong Kong	3.83%
Netherlands	3.34%
Spain	3.09%
Sweden	2.67%
Italy	2.27%
Denmark	1.72%
Singapore	1.37%
Finland	1.05%
Cash and/or Derivatives	0.75%
Other	3.41%
Total	100.01%

* Percentages may not sum to 100% due to rounding.

Representative Sampling

BFA uses a representative sampling indexing strategy to manage the ETF. This strategy involves investing in a representative sample of securities that collectively has an investment profile similar to that of the underlying index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the underlying index.

The ETF generally invests at least 90% of its assets in the securities of the underlying index and in depositary receipts representing securities of the underlying index.

The ETF may invest the remainder of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the underlying index, but which BFA believes will help the ETF track the underlying index. Also, the ETF may lend securities representing up to one-third of the value of the ETF's total assets (including the value of the collateral received).

Tracking Error

The performance of the ETF and the underlying index may vary due to a variety of factors, including

differences between the securities and other instruments held in the ETF's portfolio and those included in the underlying index, pricing differences (including differences between a security's price at the local market close and the ETF's valuation of a security at the time of calculation of the ETF's net asset value), differences in transaction costs, the ETF's holding of uninvested cash, differences in timing of the accrual of or the valuation of dividends or interest, the requirements to maintain pass-through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, changes to the underlying index or the costs to the ETF of complying with various new or existing regulatory requirements. Tracking error also may result because the ETF incurs fees and expenses, while the underlying index does not. BFA expects that, over time, the ETF's tracking error will not exceed 5%. The ETF's use of a representative sampling indexing strategy can be expected to produce a larger tracking error than would result if the ETF used a replication indexing strategy in which an ETF invests in substantially all of the securities in its index in approximately the same proportions as in the underlying index.

As of December 31, 2018, iShares® reported the following average annual returns on the market price of the ETF's shares and the MSCI EAFE Index. The market price of the ETF's shares takes into account

PS-20

Table of Contents

distributions on the shares and the returns shown account for changes in the mid-point of the bid and ask prices at 4:00 p.m., Eastern time on the relevant date.

ETF shares: 1 year, -13.79%; 3 years, 2.98%; 5 years, 0.30%; 10 years, 5.84%; since inception, 4.50%; index: 1 year, -13.79%; 3 years, 2.87%; 5 years, 0.53%; 10 years, 6.32%; since ETF inception, 4.57%.

Industry Concentration Policy

The ETF will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the underlying index is concentrated.

The MSCI EAFE Index

The MSCI EAFE Index (the underlying index) is a stock index calculated, published and disseminated daily by MSCI Inc., which we refer to as “MSCI”, through numerous data vendors, on the MSCI website and in real time on Bloomberg Financial Markets and Reuters Limited.

Net Total Return Methodology

The ETF tracks the net total return version of the underlying index. A net total return index represents the total return earned in a portfolio that tracks the price return version of the index and reinvests dividend income, net of certain withholding taxes, in the overall index, not in the specific stock paying the dividend. The difference between the price return calculation and the net total return calculation of an index is that, with respect to the price return calculation, changes in the index level reflect changes in stock prices, whereas with respect to the net total return calculation of the index, changes in the index level reflect both movements in stock prices and the reinvestment of dividend income net of certain withholding taxes. MSCI’s net total return methodology reinvests net cash dividends in the index the day the security is quoted ex-dividend, or on the ex-date (converted to U.S. dollars, as applicable). Certain dividends, including special/extraordinary dividends and commemorative dividends, are reinvested in the index if, a day prior to the ex-date, the dividend impact on price is less than 5%. If the impact is 5% or more, the dividend will be reflected in the index through a price adjustment. A specific price adjustment is always applied for stock dividends that are issued at no cost to the shareholders, an extraordinary capital repayment or a dividend paid in the shares of another company. Cash payments related to corporate events, such as mergers and acquisitions, are considered on a case-by-case basis.

Notwithstanding the ETF's investment objective, the return on your notes will not reflect any dividends paid on the ETF shares, on the securities purchased by the ETF or on the securities that comprise the underlying index.

MSCI divides the companies included in the index into eleven Global Industry Classification Sectors:

Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Real Estate and Utilities. As of the close of business on September 21, 2018, MSCI and S&P Dow Jones Indices LLC updated the Global Industry Classification Sector structure. Among other things, the update broadened the Telecommunications Services sector and renamed it the Communication Services sector. The renamed sector includes the previously existing Telecommunication Services Industry group, as well as the Media Industry group, which was moved from the Consumer Discretionary sector and renamed the Media & Entertainment Industry group. The Media & Entertainment Industry group contains three industries: Media, Entertainment and Interactive Media & Services. The Media industry continues to consist of the Advertising, Broadcasting, Cable & Satellite and Publishing sub-industries. The Entertainment industry contains the Movies & Entertainment sub-industry (which includes online entertainment streaming companies in addition to companies previously classified in such industry prior to September 21, 2018) and the Interactive Home Entertainment sub-industry (which includes companies previously classified in the Home Entertainment Software sub-industry prior to September 21, 2018 (when the Home Entertainment Software sub-industry was a sub-industry in the Information Technology sector)), as well as producers of interactive gaming products, including mobile gaming applications). The Interactive Media & Services industry and sub-industry includes companies engaged in content and information creation or distribution through proprietary platforms, where revenues are derived primarily through pay-per-click advertisements, and includes search engines, social media and networking platforms, online classifieds and online review companies. The Global Industry Classification Sector structure changes are effective for the MSCI EAFE Index as of the open of business on December 3, 2018 to coincide with the November 2018 semi-annual index review.

PS-21

Table of Contents

The above information supplements the description of the underlying index found in the accompanying general terms supplement no. 1,734. For more details about the underlying index, the underlying index sponsor and license agreement between the underlying index sponsor and the issuer, see “The Underliers — MSCI Indices” on page S-46 of the accompanying general terms supplement no. 1,734. Additional information about the underlying index is available on the following website: msci.com/index-methodology. We are not incorporating by reference the website or any material it includes in this pricing supplement.

The MSCI indices are the exclusive property of MSCI Inc. (“MSCI”). MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and are licensed for use for certain purposes by GS Finance Corp. and its affiliates. These securities, based on such index, have not been passed on by MSCI as to their legality or suitability, and are not issued, sponsored, endorsed, sold or promoted by MSCI, and MSCI bears no liability with respect to any such securities. No purchaser, seller or holder of the securities, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote the securities without first contacting MSCI to determine whether MSCI’s permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI. The general terms supplement contains a more detailed description of the limited relationship MSCI has with GS Finance Corp. and any related securities.

PS-22

Table of Contents

The iShares® MSCI Emerging Markets ETF
The shares of the iShares® MSCI Emerging Markets
ETF are issued by iShares, Inc., a registered investment
company. The iShares® MSCI Emerging Markets ETF
seeks investment results that correspond generally to
the price and yield performance, before fees and
expenses, of the MSCI Emerging Markets Index. The
iShares® MSCI Emerging Markets ETF trades on the
NYSE Arca under the ticker symbol “EEM”. BlackRock
Fund Advisors (“BFA”) serves as the investment advisor
to the iShares® MSCI Emerging Markets ETF.
The following tables display the top holdings and
weighting by sector and country of the iShares® MSCI
Emerging Markets ETF. A list of constituent stocks
can be found at
us.ishares.com/product_info/fund/overview/EEM.htm.
We are not incorporating by reference the website or
any material it includes in this pricing supplement. This
information has been obtained from the iShares®
website without independent verification.
iShares® MSCI Emerging Markets ETF Top Ten
Holdings as of January 14, 2019

<u>ETF Stock Issuer</u>	<u>Percentage (%)</u>
TENCENT HOLDINGS LTD	4.73%
ALIBABA GROUP HOLDING ADR REPRESEN	3.91%
TAIWAN SEMICONDUCTOR MANUFACTURING	3.52%
SAMSUNG ELECTRONICS LTD	3.46%
NASPERS LIMITED N LTD	1.90%
CHINA CONSTRUCTION BANK CORP H	1.60%
CHINA MOBILE LTD	1.26%
ITAU UNIBANCO HOLDING PREF SA	1.00%
INDUSTRIAL AND COMMERCIAL BANK OF	1.00%
PING AN INSURANCE (GROUP) CO OF CH	0.91%
Total	23.29%

iShares® MSCI Emerging Markets ETF Weighting by
Sector as of January 14, 2019*

<u>Sector</u>	<u>Percentage (%)</u>
Financials	24.70%
Information Technology	13.84%
Consumer Discretionary	10.55%
Consumer Staples	6.75%
Energy	8.06%

Industrials	5.50%
Communication	14.13%
Materials	7.55%
Utilities	2.70%
Real Estate	2.99%
Health Care	2.73%
Cash and/or Derivatives	0.50%
Total	100.00%

* Percentages may not sum to 100% due to rounding.
The Global Industry Classification Structure, which MSCI utilizes to classify the constituents of the MSCI Emerging Markets Index, was updated in September 2018. Please see below for additional information about these updates.

PS-23

Table of Contents

iShares® MSCI Emerging Markets ETF Weighting by Country as of January 14, 2019*

<u>Country</u>	<u>Percentage (%)</u>
China	30.20%
Korea (South)	13.40%
Taiwan	10.92%
India	8.86%
Brazil	8.07%
South Africa	6.45%
Russian Federation	3.82%
Mexico	2.91%
Thailand	2.43%
Malaysia	2.37%
Indonesia	2.35%
Poland	1.25%
Philippines	1.17%
Chile	1.15%
Qatar	1.09%
Cash and/or Derivatives	0.50%
Other	3.06%
Total	100.00%

* Percentages may not sum to 100% due to rounding.

As of December 31, 2018, iShares® reported the following average annual returns on the market price of the ETF's shares and the MSCI Emerging Markets Index. The market price of the ETF's shares takes into account distributions on the shares and the returns shown account for changes in the mid-point of the bid and ask prices at 4:00 p.m., Eastern time on the relevant date. ETF shares: 1 year, -15.26%; 3 years, 8.84%; 5 years, 0.75%; 10 years, 6.68%; since inception, 10.15%; MSCI Emerging Markets Index: 1 year, -14.58%; 3 years, 9.25%; 5 years, 1.65%; 10 years, 8.02%; since ETF inception, 10.64%.

Notwithstanding the iShares® MSCI Emerging Markets ETF's investment objective, the return on your notes will not reflect any dividends paid on the shares of the iShares® MSCI Emerging Markets ETF, on the securities purchased by the iShares® MSCI Emerging Markets ETF or on the securities that comprise the MSCI Emerging Markets Index.

As of the close on May 31, 2018, MSCI began a multi-step process to include, in the MSCI Emerging Markets Index, large cap China A shares that are not in trading suspension. As part of the first step of the inclusion process, which resulted from the May 2018 quarterly index review, MSCI added such large cap China A shares to the MSCI Emerging Markets Index at 2.5% of their foreign inclusion factor-adjusted market capitalization. In connection with the August

2018 quarterly index review, MSCI implemented the second step of the inclusion process by increasing the foreign inclusion factor-adjusted market capitalization of those existing China A share constituents from 2.5% to 5%. With the implementation of this second step, and the inclusion of additional China A shares in connection with the August 2018 quarterly index review, China A shares were initially expected to represent approximately 0.75% of the MSCI Emerging Markets Index.

MSCI has announced that, beginning in June 2019, it expects to include the MSCI Saudi Arabia Index in the MSCI Emerging Markets Index, representing on a pro forma basis a weight of approximately 2.6% of the MSCI Emerging Markets Index with 32 securities, following a two-step inclusion process. The first inclusion step is expected to coincide with the May 2019 semi-annual review and the second inclusion step is expected to take place as part of the August 2019 quarterly index review. In addition, MSCI has announced the reclassification of the MSCI Argentina Index from a “frontier market” to an “emerging market”, and the MSCI Argentina Index is expected to be included in the MSCI Emerging Markets Index coinciding with the May 2019 semi-annual index review. MSCI expects to continue to restrict the inclusion in the MSCI Argentina Index to only foreign listings of Argentinian companies, such as American depositary receipts.

As of the close of business on September 21, 2018, MSCI and S&P Dow Jones Indices LLC updated the Global Industry Classification Sector structure. Among other things, the update broadened the Telecommunications Services sector and renamed it the Communication Services sector. The renamed

PS-24

Table of Contents

sector includes the previously existing Telecommunication Services Industry group, as well as the Media Industry group, which was moved from the Consumer Discretionary sector and renamed the Media & Entertainment Industry group. The Media & Entertainment Industry group contains three industries: Media, Entertainment and Interactive Media & Services. The Media industry continues to consist of the Advertising, Broadcasting, Cable & Satellite and Publishing sub-industries. The Entertainment industry contains the Movies & Entertainment sub-industry (which includes online entertainment streaming companies in addition to companies previously classified in such industry prior to September 21, 2018) and the Interactive Home Entertainment sub-industry (which includes companies previously classified in the Home Entertainment Software sub-industry prior to September 21, 2018 (when the Home Entertainment Software sub-industry was a sub-industry in the Information Technology sector)), as well as producers of interactive gaming products, including mobile gaming applications). The Interactive Media & Services industry and sub-industry includes companies engaged in content and information creation or distribution through proprietary platforms, where revenues are derived primarily through pay-per-click advertisements, and includes search engines, social media and networking platforms, online classifieds and online review companies. The Global Industry Classification Sector structure changes are effective for the MSCI Emerging Markets Index as of the open of business on December 3, 2018 to coincide with the November 2018 semi-annual index review.

The above information supplements the description of the ETF found in the accompanying general terms supplement no. 1,734. This information was derived from information prepared by the investment advisor, however, the percentages we have listed above are approximate and may not match the information available on the investment advisor's website due to subsequent corporate actions or other activity relating to a particular stock. For more details about the ETF, the investment advisor and license agreement between the investment advisor and the issuer, see "The Underliers — The iShares® MSCI Emerging Markets ETF" on page S-90 of the accompanying general terms supplement no. 1,734.

iShares® is a registered trademark of BlackRock Institutional Trust Company, N.A. ("BITC"). The securities are not sponsored, endorsed, sold, or

promoted by BITC. BITC makes no representations or warranties to the owners of the securities or any member of the public regarding the advisability of investing in the securities. BITC has no obligation or liability in connection with the operation, marketing, trading or sale of the securities.

The MSCI Indexes are the exclusive property of MSCI Inc. (“MSCI”). The securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such securities.

Historical Closing Levels of the Underliers

The closing levels of the underliers have fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the closing level of any underlier during the period shown below is not an indication that such underlier is more or less likely to increase or decrease at any time during the life of your notes.

You should not take the historical closing levels of an underlier as an indication of the future performance of an underlier. We cannot give you any assurance that the future performance of any underlier or the underlier stocks will result in you receiving the outstanding face amount of your notes on the stated maturity date.

Neither we nor any of our affiliates make any representation to you as to the performance of the underliers. Before investing in the offered notes, you should consult publicly available information to determine the relevant underlier levels between the date of this pricing supplement and the date of your purchase of the offered notes. The actual performance of an underlier over the life of the offered notes, as well as the cash settlement amount at maturity may bear little relation to the historical levels shown below.

The graphs below show the daily historical closing levels of each underlier from January 31, 2009 through January 31, 2019. We obtained the levels in the graphs below from Bloomberg Financial Services, without independent verification.

PS-25

Table of Contents

Historical Performance of the iShares® MSCI EAFE
ETF

PS-26

Table of Contents

Historical Performance of the iShares® MSCI
Emerging Markets ETF

PS-27

Table of Contents

SUPPLEMENTAL DISCUSSION OF FEDERAL
INCOME TAX CONSEQUENCES

The following section supplements the discussion of U.S. federal income taxation in the accompanying prospectus supplement.

The following section is the opinion of Sidley Austin llp, counsel to GS Finance Corp. and The Goldman Sachs Group, Inc. In addition, it is the opinion of Sidley Austin llp that the characterization of the notes for U.S. federal income tax purposes that will be required under the terms of the notes, as discussed below, is a reasonable interpretation of current law.

This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies;
 - a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank;
- a life insurance company;
- a tax exempt organization;
- a partnership;
- a regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- a person that owns a note as a hedge or that is hedged against interest rate risks;
- a person that owns a note as part of a straddle or conversion transaction for tax purposes; or
 - a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

Although this section is based on the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect, no statutory, judicial or administrative authority directly addresses how your notes should be treated for U.S. federal income tax purposes, and as a result, the U.S. federal income tax consequences of your investment in your notes are uncertain. Moreover, these laws are subject to change, possibly on a retroactive basis.

You should consult your tax advisor concerning the U.S. federal income tax and any other applicable tax consequences of your investments in the notes, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

United States Holders

This section applies to you only if you are a United States holder that holds your notes as a capital asset for tax purposes. You are a United States holder if you are a beneficial owner of each of your notes and you are:

- a citizen or resident of the United States;
- a domestic corporation;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

Tax Treatment. You will be obligated pursuant to the terms of the notes — in the absence of a change in law, an administrative determination or a judicial ruling to the contrary — to characterize your notes for all tax purposes as pre-paid derivative contracts in respect of the underliers. Except as otherwise stated below, the discussion herein assumes that the notes will be so treated.

PS-28

Table of Contents

Upon the sale, exchange or maturity of your notes, you should recognize capital gain or loss equal to the difference, if any, between the amount of cash you receive at such time and your tax basis in your notes. Your tax basis in the notes will generally be equal to the amount that you paid for the notes. If you hold your notes for more than one year, the gain or loss generally will be long-term capital gain or loss. If you hold your notes for one year or less, the gain or loss generally will be short-term capital gain or loss. Short-term capital gains are generally subject to tax at the marginal tax rates applicable to ordinary income.

In addition, the constructive ownership rules of Section 1260 of the Internal Revenue Code could possibly apply to your notes. If your notes were subject to the constructive ownership rules, then any long-term capital gain that you realize upon the sale, exchange or maturity of your notes would be re-characterized as ordinary income (and you would be subject to an interest charge on deferred tax liability with respect to such re-characterized capital gain) to the extent that such capital gain exceeds the amount of “net underlying long-term capital gain” (as defined in Section 1260 of the Internal Revenue Code). Because the application of the constructive ownership rules is unclear you are strongly urged to consult your tax advisor with respect to the possible application of the constructive ownership rules to your investment in the notes.

No statutory, judicial or administrative authority directly discusses how your notes should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of your investment in the notes are uncertain and alternative characterizations are possible. Accordingly, we urge you to consult your tax advisor in determining the tax consequences of an investment in your notes in your particular circumstances, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

Alternative Treatments. There is no judicial or administrative authority discussing how your notes should be treated for U.S. federal income tax purposes. Therefore, the Internal Revenue Service might assert that a treatment other than that described above is more appropriate. For example, the Internal Revenue Service could treat your notes as a single debt instrument subject to special rules governing contingent payment debt instruments. Under those rules, the amount of interest you are required to take into account for each accrual period would be determined by constructing a

projected payment schedule for the notes and applying rules similar to those for accruing original issue discount on a hypothetical noncontingent debt instrument with that projected payment schedule. This method is applied by first determining the comparable yield – i.e., the yield at which we would issue a noncontingent fixed rate debt instrument with terms and conditions similar to your notes – and then determining a payment schedule as of the issue date that would produce the comparable yield. These rules may have the effect of requiring you to include interest in income in respect of your notes prior to your receipt of cash attributable to that income.

If the rules governing contingent payment debt instruments apply, any gain you recognize upon the sale, exchange or maturity of your notes would be treated as ordinary interest income. Any loss you recognize at that time would be ordinary loss to the extent of interest you included as income in the current or previous taxable years in respect of your notes, and, thereafter, capital loss.

If the rules governing contingent payment debt instruments apply, special rules would apply to a person who purchases notes at a price other than the adjusted issue price as determined for tax purposes. It is also possible that your notes could be treated in the manner described above, except that any gain or loss that you recognize at maturity would be treated as ordinary gain or loss. You should consult your tax advisor as to the tax consequences of such characterization and any possible alternative characterizations of your notes for U.S. federal income tax purposes.

It is possible that the Internal Revenue Service could seek to characterize your notes in a manner that results in tax consequences to you that are different from those described above. You should consult your tax advisor as to the tax consequences of any possible alternative characterizations of your notes for U.S. federal income tax purposes.

Possible Change in Law

On December 7, 2007, the Internal Revenue Service released a notice stating that the Internal Revenue Service and the Treasury Department are actively considering issuing guidance regarding the proper U.S. federal income tax treatment of an instrument such as the offered notes, including whether holders should be required to accrue ordinary income on a current basis and whether gain or loss should be ordinary or capital. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that

under such guidance, holders of the notes will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The Internal Revenue Service and the Treasury Department are also considering other relevant issues, including whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals and whether the special “constructive ownership rules” of Section 1260 of the Internal Revenue Code might be applied to such instruments. Holders are urged to consult their tax advisors concerning the significance, and the potential impact, of

PS-29

Table of Contents

the above considerations. Except to the extent otherwise provided by law, we intend to continue treating the notes for U.S. federal income tax purposes in accordance with the treatment described above under “Tax Treatment” unless and until such time as Congress, the Treasury Department or the Internal Revenue Service determine that some other treatment is more appropriate. You are urged to consult your tax advisor as to the possibility that any legislative or administrative action may adversely affect the tax treatment and the value of your notes.

Furthermore, in 2007, legislation was introduced in Congress that, if enacted, would have required holders that acquired instruments such as your notes after the bill was enacted to accrue interest income over the term of such instruments even though there will be no interest payments over the term of such instruments. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your notes.

It is impossible to predict what any such legislation or administrative or regulatory guidance might provide, and whether the effective date of any legislation or guidance will affect notes that were issued before the date that such legislation or guidance is issued. You are urged to consult your tax advisor as to the possibility that any legislative or administrative action may adversely affect the tax treatment of your notes.

Backup Withholding and Information Reporting
Please see the discussion under “United States Taxation — Taxation of Debt Securities — Backup Withholding and Information Reporting—United States Holders” in the accompanying prospectus for a description of the applicability of the backup withholding and information reporting rules to payments made on your notes.

United States Alien Holders

This section applies to you only if you are a United States alien holder. You are a United States alien holder if you are the beneficial owner of notes and are, for U.S. federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from the notes.

You will be subject to generally applicable information reporting and backup withholding requirements as discussed in the accompanying prospectus under “United States Taxation — Taxation of Debt Securities —

Backup Withholding and Information Reporting — United States Alien Holders” with respect to payments on your notes at maturity and, notwithstanding that we do not intend to treat the notes as debt for tax purposes, we intend to backup withhold on such payments with respect to your notes unless you comply with the requirements necessary to avoid backup withholding on debt instruments (in which case you will not be subject to such backup withholding) as set forth under “United States Taxation — Taxation of Debt Securities — United States Alien Holders” in the accompanying prospectus. As discussed above, alternative characterizations of the notes for U.S. federal income tax purposes are possible. Should an alternative characterization of the notes, by reason of a change or clarification of the law, by regulation or otherwise, cause payments at maturity with respect to the notes to become subject to withholding tax, we will withhold tax at the applicable statutory rate and we will not make payments of any additional amounts. Prospective United States alien holders of the notes should consult their tax advisors in this regard.

Furthermore, on December 7, 2007, the Internal Revenue Service released Notice 2008-2 soliciting comments from the public on various issues, including whether instruments such as your notes should be subject to withholding. It is therefore possible that rules will be issued in the future, possibly with retroactive effect, that would cause payments on your notes at maturity to be subject to withholding, even if you comply with certification requirements as to your foreign status.

In addition, the Treasury Department has issued regulations under which amounts paid or deemed paid on certain financial instruments (“871(m) financial instruments”) that are treated as attributable to U.S.-source dividends could be treated, in whole or in part depending on the circumstances, as a “dividend equivalent” payment that is subject to tax at a rate of 30% (or a lower rate under an applicable treaty), which in the case of any amounts you receive upon sale, exchange or maturity of your notes, could be collected via withholding. If these regulations were to apply to the notes, we may be required to withhold such taxes if any U.S.-source dividends are paid on the underliers during the term of the notes. We could also require you to make certifications (e.g., an applicable Internal Revenue Service Form W-8) prior to the maturity of the notes in order to avoid or minimize withholding obligations, and we could withhold accordingly (subject to your potential right to claim a refund from

the Internal Revenue Service) if such certifications were not received or were not satisfactory. If withholding was required, we would not be required to pay any additional

PS-30

Table of Contents

amounts with respect to amounts so withheld. These regulations generally will apply to 871(m) financial instruments (or a combination of financial instruments treated as having been entered into in connection with each other) issued (or significantly modified and treated as retired and reissued) on or after January 1, 2021, but will also apply to certain 871(m) financial instruments (or a combination of financial instruments treated as having been entered into in connection with each other) that have a delta (as defined in the applicable Treasury regulations) of one and are issued (or significantly modified and treated as retired and reissued) on or after January 1, 2017. In addition, these regulations will not apply to financial instruments that reference a “qualified index” (as defined in the regulations). We have determined that, as of the issue date of your notes, your notes will not be subject to withholding under these rules. In certain limited circumstances, however, you should be aware that it is possible for United States alien holders to be liable for tax under these rules with respect to a combination of transactions treated as having been entered into in connection with each other even when no withholding is required. You should consult your tax advisor concerning these regulations, subsequent official guidance and regarding any other possible alternative characterizations of your notes for U.S. federal income tax purposes.

Foreign Account Tax Compliance Act (FATCA)

Withholding

Pursuant to Treasury regulations, Foreign Account Tax Compliance Act (FATCA) withholding (as described in “United States Taxation—Taxation of Debt Securities—Foreign Account Tax Compliance Act (FATCA) Withholding” in the accompanying prospectus) will generally apply to obligations that are issued on or after July 1, 2014; therefore, the notes will generally be subject to the FATCA withholding rules. The discussion in that section is hereby modified to reflect regulations proposed by the Treasury Department indicating its intent to eliminate the requirements under FATCA of withholding on gross proceeds from the sale, exchange, maturity or other disposition of relevant financial instruments. The Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization.

PS-31

Table of Contents

SUPPLEMENTAL PLAN OF DISTRIBUTION;
CONFLICTS OF INTEREST

See “Supplemental Plan of Distribution” on page S-96 of the accompanying general terms supplement no. 1,734 and “Plan of Distribution — Conflicts of Interest” on page 94 of the accompanying prospectus. GS Finance Corp. estimates that its share of the total offering expenses, excluding underwriting discounts and commissions, will be approximately \$20,000.

GS Finance Corp. has agreed to sell to GS&Co., and GS&Co. has agreed to purchase from GS Finance Corp., the aggregate face amount of the offered notes specified on the front cover of this pricing supplement. GS&Co. proposes initially to offer the notes to the public at the original issue price set forth on the cover page of this pricing supplement, and to certain securities dealers at such price less a concession not in excess of 0.71% of the face amount. GS&Co. is an affiliate of GS Finance Corp. and The Goldman Sachs Group, Inc. and, as such, will have a “conflict of interest” in this offering of notes within the meaning of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121. Consequently, this offering of notes will be conducted in compliance with the provisions of FINRA Rule 5121. GS&Co. will not be permitted to sell notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder. GS&Co. will also pay a fee in connection with the distribution of the notes to SIMON Markets LLC, a broker-dealer affiliated with GS Finance Corp.

We will deliver the notes against payment therefor in New York, New York on February 5, 2019. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on any date prior to two business days before delivery will be required to specify alternative settlement arrangements to prevent a failed settlement.

We have been advised by GS&Co. that it intends to make a market in the notes. However, neither GS&Co. nor any of our other affiliates that makes a market is obligated to do so and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for the notes.

The notes will not be listed on any securities exchange or interdealer quotation system.

PS-32

Table of Contents

VALIDITY OF THE NOTES AND GUARANTEE

In the opinion of Sidley Austin LLP, as counsel to GS Finance Corp. and The Goldman Sachs Group, Inc., when the notes offered by this pricing supplement have been executed and issued by GS Finance Corp., the related guarantee offered by this pricing supplement has been executed and issued by The Goldman Sachs Group, Inc., and such notes have been authenticated by the trustee pursuant to the indenture, and such notes and the guarantee have been delivered against payment as contemplated herein, (a) such notes will be valid and binding obligations of GS Finance Corp., enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above and (b) such related guarantee will be a valid and binding obligation of The Goldman Sachs Group, Inc., enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the laws of the State of New York and the General Corporation Law of the State of Delaware as in effect on the date hereof. In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated July 10, 2017, which has been filed as Exhibit 5.6 to the registration statement on Form S-3 filed with the Securities and Exchange Commission by GS Finance Corp. and The Goldman Sachs Group, Inc. on July 10, 2017.

PS-33

Table of Contents

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TABLE OF CONTENTS

Pricing Supplement

	<u>Page</u>
<u>Terms and Conditions</u>	PS-3
<u>Hypothetical Examples</u>	PS-7
<u>Additional Risk Factors Specific to Your Notes</u>	PS-11
<u>The Underliers</u>	PS-18
<u>Supplemental Discussion of U.S. Federal Income Tax Consequences</u>	PS-28
<u>Supplemental Plan of Distribution; Conflicts of Interest</u>	PS-32
<u>Validity of the Notes and Guarantee</u>	PS-33

General Terms Supplement No. 1,734 dated July 10, 2017

Additional Risk Factors Specific to the Notes	S-1
Supplemental Terms of the Notes	S-16
The Underliers	S-36
S&P 500 [®] Index	S-40
MSCI Indices	S-46
Hang Seng China Enterprises Index	S-55
Russell 2000 [®] Index	S-61
FTSE [®] 100 Index	S-69
EURO STOXX 50 [®] Index	S-75
TOPIX	S-82
The Dow Jones Industrial Average [®]	S-87
The iShares [®] MSCI Emerging Markets ETF	S-91
Use of Proceeds	S-94

Hedging	S-94
Employee Retirement Income Security Act	S-95
Supplemental Plan of Distribution	S-96
Conflicts of Interest	S-98

Prospectus Supplement dated July 10, 2017

Use of Proceeds	S-2
Description of Notes We May Offer	S-3
Considerations Relating to Indexed Notes	S-15
United States Taxation	S-18
Employee Retirement Income Security Act	S-19
Supplemental Plan of Distribution	S-20
Validity of the Notes and Guarantees	S-21

Prospectus dated July 10, 2017

Available Information	2
Prospectus Summary	4
Risks Relating to Regulatory Resolution	8
Strategies and Long-Term Debt Requirements	
Use of Proceeds	11
Description of Debt Securities We May Offer	12
Description of Warrants We May Offer	45
Description of Units We May Offer	60
GS Finance Corp.	65
Legal Ownership and Book-Entry Issuance	67
Considerations Relating to Floating Rate Debt Securities	72
Considerations Relating to Indexed Securities	73
Considerations Relating to Securities	
Denominated or Payable in or Linked to a Non-U.S. Dollar Currency	74
United States Taxation	77
Plan of Distribution	92
Conflicts of Interest	94
Employee Retirement Income Security Act	95
Validity of the Securities and Guarantees	95
Experts	96
Review of Unaudited Condensed Consolidated Financial Statements by Independent Registered Public Accounting Firm	96
Cautionary Statement Pursuant to the Private Securities Litigation Reform Act of 1995	96

Table of Contents

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GS Finance Corp.

ETF-Linked Notes due 2022

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The Goldman Sachs
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