

PROTECTIVE LIFE CORP
Form DEF 14A
April 08, 2013

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

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 under §240.14a-12

Protective Life Corp.

(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:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Protective Life Corporation

Post Office Box 2606
Birmingham, Alabama 35202
205-268-1000

April 8, 2013

Dear Share Owners:

It is my pleasure to invite you to Protective's annual meeting of share owners. We will hold the meeting at our home office on Monday, May 13, 2013 at 10:00 a.m., Central Time. Our home office is located at the Protective Center, 2801 Highway 280 South, Birmingham, Alabama 35223. At this meeting, we will consider the matters described in the proxy statement and review the major developments since our last share owners' meeting.

This booklet includes the notice of annual meeting and our proxy statement. The proxy statement describes the business that we will conduct at the meeting and provides information about Protective. Our 2012 Annual Report to Share Owners is also enclosed.

Your vote is important to us, no matter how many shares you own. You may vote on the Internet, by telephone or by using a traditional proxy card. If you attend the meeting and prefer to vote in person, you may do so even if you have previously voted your proxy.

We look forward to your participation.

Sincerely yours,

JOHN D. JOHNS
*Chairman of the Board, President
and Chief Executive Officer*

Table of Contents

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS:

The 2013 Notice and Proxy Statement and 2012 Annual Report are available at www.ProxyVote.com.

Dear Share Owners:

The 2013 Annual Meeting of Share Owners of Protective Life Corporation will be held as follows:

Date: Monday, May 13, 2013

Time: 10:00 a.m. Central Time

Place: Protective Life Corporation
Protective Center
2801 Highway 280 South
Birmingham, Alabama 35223

At the annual meeting, we will ask you to:

elect 14 directors,

approve our Stock Plan for Non-Employee Directors,

hold an advisory vote on our executive compensation program,

ratify the appointment of PricewaterhouseCoopers LLP as our independent accountants, and

transact any other business that may be properly presented at the meeting.

You may vote at the annual meeting if you were a share owner of record at the close of business on March 27, 2013.

The annual meeting may be postponed by an announcement at the meeting, and reconvened at a later time. Any business for which this notice is given may be transacted at the subsequent meeting.

By order of the Board of Directors,

DEBORAH J. LONG
Secretary

April 8, 2013

Table of Contents

TABLE OF CONTENTS

	Page
<u>LETTER FROM CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER</u>	
<u>NOTICE OF 2013 ANNUAL MEETING OF SHARE OWNERS</u>	
<u>PROXY STATEMENT ABOUT THE ANNUAL MEETING</u>	<u>1</u>
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	<u>5</u>
<u>CORPORATE GOVERNANCE AND OUR BOARD OF DIRECTORS</u>	
<u>Corporate Governance</u>	<u>8</u>
<u>Our Board of Directors and Its Committees</u>	<u>9</u>
<u>Board Composition, Nominations and Qualifications</u>	<u>13</u>
<u>Director Independence</u>	<u>19</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>21</u>
<u>Related Party Transactions</u>	<u>21</u>
<u>Director Compensation</u>	<u>22</u>
<u>PROPOSAL 2: APPROVAL OF STOCK PLAN FOR NON-EMPLOYEE DIRECTORS</u>	<u>24</u>
<u>EXECUTIVE COMPENSATION</u>	
<u>Executive Summary</u>	<u>29</u>
<u>Compensation Discussion and Analysis</u>	<u>30</u>
<u>Compensation Committee Report</u>	<u>42</u>
<u>Summary Compensation Table</u>	<u>44</u>
<u>Grants of Plan-Based Awards</u>	<u>48</u>
<u>Outstanding Equity Awards</u>	<u>52</u>
<u>SAR Exercises and Earned Performance Shares</u>	<u>55</u>
<u>Post-Employment Benefits</u>	<u>56</u>
<u>Nonqualified Deferred Compensation</u>	<u>59</u>
<u>Potential Payments upon Termination or Change of Control</u>	<u>61</u>
<u>Compensation Policies and Practices as Related to Risk Management</u>	<u>67</u>
<u>PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>68</u>
<u>AUDIT-RELATED MATTERS</u>	
<u>Audit Committee Report</u>	<u>69</u>
<u>Independent Accountant Fees and Services</u>	<u>70</u>
<u>Pre-Approval of Independent Accountant Services</u>	<u>70</u>
<u>PROPOSAL 4: RATIFICATION OF APPOINTMENT OF INDEPENDENT ACCOUNTANTS</u>	<u>71</u>
<u>SECURITY OWNERSHIP</u>	
<u>Beneficial Ownership</u>	<u>72</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>73</u>
<u>GENERAL INFORMATION</u>	<u>74</u>
<u>APPENDIX A: STOCK PLAN FOR NON-EMPLOYEE DIRECTORS OF PROTECTIVE LIFE CORPORATION</u>	<u>A-1</u>

Table of Contents

PROXY STATEMENT

Our Board of Directors is soliciting proxies to be used at our annual meeting of share owners. We will hold the annual meeting on Monday, May 13, 2013, beginning at 10:00 a.m., Central Time, at our home office at 2801 Highway 280 South, Birmingham, Alabama 35223. This proxy statement and the enclosed proxy card are being mailed to our share owners beginning on or about April 8, 2013.

"We," "our," "us," "the Company" and "Protective" each refer to Protective Life Corporation. "You" and "your" each refer to our share owners.

ABOUT THE ANNUAL MEETING

What is a proxy?

A proxy is a person whom you designate to vote your stock. If you designate someone as your proxy in a written document, that document is called a proxy or a proxy card.

What is a proxy statement?

A proxy statement is a document that the Securities and Exchange Commission ("SEC") requires us to give to you when we ask you to sign a proxy card to vote your stock at the annual meeting.

What is the purpose of the annual meeting?

At our annual meeting, share owners will act on the proposals outlined in the meeting notice. Also, our management will report on our 2012 performance and will respond to appropriate questions from share owners.

What is the record date and what does it mean?

The record date for the annual meeting is March 27, 2013. Our Board of Directors establishes the record date. Holders of common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the meeting.

How many shares are entitled to vote at the annual meeting?

On the March 27, 2013 record date, 78,449,071 shares of common stock were outstanding and entitled to vote at the meeting. Each share of common stock is entitled to one vote on each proposal.

What happens if the meeting is postponed or adjourned?

The meeting may be postponed or adjourned by an announcement at the meeting. If this happens, the proxies may vote your shares at the subsequent meeting as well, unless you have revoked your voting instructions.

What constitutes a quorum at the meeting?

The holders of a majority of the outstanding shares of common stock, present in person or represented by proxy at the meeting, will constitute a quorum for transacting business. Abstentions and broker "non-votes" count as "shares present" for determining if there is a quorum.

What is the difference between a share owner "of record" and a "street name" holder?

If your shares are registered directly in your name with Computershare Shareowner Services LLC, our stock transfer agent, you are considered the share owner "of record" of those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of those shares, and your shares are held in "street name." You have the right to direct your broker or nominee how to vote your shares by following the voting

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

instructions that your broker or nominee provides. If you do not provide your broker or nominee with voting instructions, your broker or nominee will be able to vote your shares with respect to some, but not all, of the proposals. See "*What are 'broker non-votes,' and how are they counted?*" below for more information.

Table of Contents

How do I vote my shares?

If you are a share owner of record, you can designate a proxy to be voted at the meeting either:

by using a toll-free telephone number,

on the Internet, or

by mailing the enclosed proxy card.

We set up the telephone and Internet voting procedures for your convenience. We designed these procedures to authenticate your identity, to allow you to give voting instructions, and to confirm that those instructions have been recorded properly. If you are a share owner of record and you would like to vote by telephone or the Internet, please refer to the instructions on the enclosed proxy card. If you wish to vote using a paper format and you return your signed proxy to us before the annual meeting, your shares will be voted as you direct.

If you hold your shares in street name, your broker or nominee will vote your shares as you direct. You must give your voting instructions in the manner prescribed by your broker or nominee. Depending on the voting process used by your broker or nominee, you may receive Internet voting instructions or a voting instruction card for you to use to direct the broker or nominee how to vote your shares.

If you have shares of our stock held in our 401(k) and Stock Ownership Plan, you may use an Internet voting process or a voting instruction card to direct the plan trustee how to vote your shares. The trustee will vote the shares in accordance with your instructions and the terms of the plan. The trustee may also vote the shares even if you do not give it voting instructions. In this case, the trustee will vote shares for which it does not receive instructions in the same proportion as it votes shares for which it does receive instructions.

What does it mean if I get more than one proxy card?

If you get more than one proxy card, it means that your shares are registered differently and are in more than one account. Please sign and return all proxy cards to be sure that all of your shares are voted.

Can I vote my shares in person at the meeting?

Yes. If you are a share owner of record, you may vote your shares at the meeting by completing a ballot at the meeting. However, if you are a street name holder, you may vote your shares in person only if you obtain a signed proxy from your broker or nominee giving you the right to vote the shares.

Even if you currently plan to attend the meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

What matters are being voted on at the meeting?

The following matters will be voted on at the meeting:

Proposal 1 Election of directors. You may vote for all of the individuals nominated by our Board of Directors, or you may withhold your vote with respect to one or more nominees. See page 5 for more information about Proposal 1.

Proposal 2 Approval of our Stock Plan for Non-Employee Directors. You may vote for or against, or abstain from voting on, this proposal. See Page 24 for more information about Proposal 2.

Proposal 3 Advisory vote on executive compensation. You may vote for or against, or abstain from voting on, this proposal. See page 68 for more information about Proposal 3.

Proposal 4 Ratification of appointment of PricewaterhouseCoopers LLP as our independent accountants. You may vote for or against, or abstain from voting on, this proposal. See page 71 for more information about Proposal 4.

What are the Board's recommendations?

The Board of Directors recommends a vote:

FOR electing all nominees for director (Proposal 1),

FOR the approval of our Stock Plan for Non-Employee Directors (Proposal 2),

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

Table of Contents

FOR the approval, on an advisory basis, of the compensation of our named executive officers (Proposal 3), and

FOR ratifying the appointment of PricewaterhouseCoopers LLP as our independent accountants (Proposal 4).

What if I do not specify how I want my shares voted?

If you sign and return your proxy card but do not specify on your proxy card (or when giving your proxy by telephone or over the Internet) how you want to vote your shares, they will be voted in accordance with the recommendation of the Board of Directors as follows:

FOR electing all nominees for director (Proposal 1),

FOR the approval of our Stock Plan for Non-Employee Directors (Proposal 2),

FOR the approval, on an advisory basis, of the compensation of our named executive officers (Proposal 3), and

FOR ratifying the appointment of PricewaterhouseCoopers LLP as our independent accountants (Proposal 4).

Can I change my vote?

Yes. You can revoke your proxy at any time before the vote is taken at the meeting by:

submitting written notice of revocation to Protective's Secretary;

submitting another proxy by telephone, on the Internet or by mail that is dated after the earlier proxy and, if by mail, that is properly signed; or

voting in person at the meeting.

What are the voting requirements for a proposal to be approved?

The affirmative vote of a majority of the shares present at the meeting, in person or by proxy, and entitled to vote on the proposal at the meeting, is required to elect each nominee for director (Proposal 1) and to approve each of Proposal 2, Proposal 3 and Proposal 4.

If you abstain from voting on a proposal, the abstention will have the same effect as a vote "against" that proposal.

What are "broker non-votes," and how are they counted?

If you hold your shares in street name, your broker or nominee can generally vote only in accordance with your instructions. However, if your broker or nominee has not received your voting instructions within 10 days before the meeting, it can vote on any proposal that is considered "routine" by the New York Stock Exchange ("NYSE"). If the broker or nominee cannot vote on a proposal because it is not routine, there is a "broker non-vote" on that proposal. Broker non-votes are counted for quorum purposes, but do not count as votes entitled to vote on that matter or as votes for or against the proposal.

We expect that the NYSE will consider Proposal 4 (ratification of the appointment of PricewaterhouseCoopers LLP as our independent accountants) to be a routine proposal.

Are there any other matters to be acted upon at the annual meeting?

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

We do not know of any other matters to be presented or acted upon at the meeting. Under our Bylaws, an item of business can be brought to a vote at the meeting only if it is specified in the meeting notice, or brought before the meeting by the Board of Directors or by a share owner who has met the notice requirements in the Bylaws. We have not received any such notice from a share owner. If any other matter is presented at the meeting on which a vote may properly be taken, the shares represented by proxies will be voted in accordance with the judgment of the proxies.

Who pays for the proxy solicitation?

We pay the costs of soliciting proxies. We retain Broadridge Financial Solutions, Inc. to send proxy materials to share owners and to help tally the votes. We expect to pay them a fee of about \$3,500 (plus expenses). Some of our employees may also help solicit proxies from time to time. They do not receive any extra or special pay for doing this.

Table of Contents

Where can I find the voting results for the meeting?

The preliminary voting results will be announced at the meeting. After the meeting, we will file the final voting results with the SEC on a Form 8-K within the time period required by SEC rules. This form will be accessible through our website, www.protective.com.

Table of Contents**PROPOSAL 1: ELECTION OF DIRECTORS****Director Nominees**

The Board of Directors has nominated all of our current directors for re-election at the 2013 annual meeting.

Our entire Board of Directors, which on May 13, 2013 is expected to consist of 14 directors, will be elected at the annual meeting. Each director will serve until the next annual meeting or until he or she is succeeded by another qualified director who has been elected.

Each director nominee is now a member of the Board of Directors. Our share owners previously elected each nominee.

The Board has reviewed the external commitments of each of our directors, including their service as directors on other public company boards. In each instance, the Board feels that participation on these public company boards provides the directors with experience and insight that benefits us. The Board concluded that the external commitments of our directors are not excessive and do not negatively impact any director's ability to satisfy the obligations of service on this Board.

Your shares will be voted as specified on your proxy. If you do not specify how you want your shares voted when you provide your proxy, they will be voted FOR the election of all nominees listed below. If unforeseen circumstances (such as death or disability) make it necessary for the Board to substitute another person for any nominee, then your shares will be voted for that other person. The Board may also choose to reduce the number of directors to be elected, as permitted by our Bylaws.

The director nominees provided the following information about themselves as of the date of this proxy statement:

Name	Age	Principal Occupation and Certain Directorships	Protective Director Since
Robert O. Burton	56	President and Chief Executive Officer of Hoar Construction LLC (construction industry). Director of Regions Bank (a wholly-owned subsidiary of Regions Financial Corporation).	2011
Elaine L. Chao	60	Formerly U.S. Secretary of Labor (government). Distinguished Fellow, Heritage Foundation (research and educational institution). Chairman, Ruth Mulan Chu Chao Foundation. Director of Dole Food Company, Wells Fargo & Company and News Corporation.	2011
Thomas L. Hamby	63	Formerly President AT&T Alabama, a subsidiary of AT&T Inc. (telecommunications); formerly President Alabama of BellSouth Corporation (acquired by AT&T Inc. in December 2006). Director of Regions Bank (a wholly-owned subsidiary of Regions Financial Corporation).	2004
John D. Johns	61	Chairman of the Board, President and Chief Executive Officer of Protective; formerly its Chief Operating Officer; also a director and/or officer of each principal subsidiary of Protective. Director of Alabama Power Company (a wholly-owned subsidiary of The Southern Company), Regions Financial Corporation and Genuine Parts Company. Formerly director of Alabama National BanCorporation, John H. Harland Company, and National Bank of Commerce of Birmingham.	1997

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

Table of Contents

Name	Age	Principal Occupation and Certain Directorships	Protective Director Since
Vanessa Leonard	52	Vanessa Leonard, Attorney at Law (legal services). Trustee of The University of Alabama System and a member of the Health Care Authority for Baptist Health Board.	2004
Charles D. McCrary	61	President and Chief Executive Officer of Alabama Power Company (public utility and a wholly-owned subsidiary of The Southern Company); Executive Vice President of The Southern Company; President and Director of Southern Electric Generation Company (affiliate of public utility); and President of Alabama Property Company (subsidiary of Alabama Power Company). Director of Alabama Power Company and Regions Financial Corporation. Formerly director of AmSouth Bancorporation.	2005
John J. McMahon, Jr.	70	Chairman of Ligon Industries, LLC (manufacturer of wastewater treatment equipment, aluminum castings and hydraulic cylinders); formerly Chairman of the Executive Committee of McWane, Inc. (pipe and valve manufacturing). Director of ProAssurance Corporation and National Bank of Commerce. Formerly director of Alabama National BanCorporation and John H. Harland Company.	1987
Hans H. Miller	60	Strategic advisor to businesses; Chairman and Director of Hwa Hong Corporation, Ltd. (real estate); Managing Member of Bougainvillea Books LLC (book publisher). Formerly Managing Director-Senior Advisor of Banc of America Securities (investment banking). Formerly President and Chief Executive Officer of the Hartford International Financial Services Group, Inc. and Senior Vice President of The Hartford Financial Services Group, Inc. Formerly Director of Tawa PLC (insurance and insurance services) and PRO IS, Inc. (consulting and advisory services).	2009
Malcolm Portera	67	Former Chancellor of The University of Alabama System (higher education). Director of Alabama Power Company (a wholly-owned subsidiary of The Southern Company). Formerly director of Regions Financial Corporation.	2003
C. Dowd Ritter	65	Formerly Chairman, Chief Executive Officer and President of Regions Financial Corporation (bank holding company); formerly Chairman, Chief Executive Officer and President of Regions Bank (banking and financial services); formerly Chairman of the Board, President and Chief Executive Officer of AmSouth Bancorporation and of AmSouth Bank (acquired by Regions Financial Corporation in November 2006). Director of Alabama Power Company (a wholly-owned subsidiary of The Southern Company). Formerly director of Regions Financial Corporation, Regions Bank, AmSouth Bancorporation and AmSouth Bank.	2005

Table of Contents

Name	Age	Principal Occupation and Certain Directorships	Protective Director Since
Jesse J. Spikes	62	Senior Counsel with McKenna Long & Aldridge LLP (legal services). Formerly director of John H. Harland Company.	2011
William A. Terry	55	Principal, Chief Compliance Officer and Corporate Secretary of Highland Associates, Inc. (SEC registered investment advisor); Member of Highland Strategies, LLC (developer and distributor of alternative investment funds); formerly Chairman of the Board, President and Chief Compliance Officer of Highland Information Services, Inc. (registered broker-dealer).	2004
W. Michael Warren, Jr.	65	President and Chief Executive Officer, Children's of Alabama (health services); formerly Chairman of the Board, President and Chief Executive Officer of Energen Corporation (diversified energy holding company). Formerly Director of Energen Corporation.	2001
Vanessa Wilson	54	Chief Financial Officer of Golden Seeds LLC (investments); Formerly Managing Director and an equity research analyst with Deutsche Bank Securities, Inc. (broker-dealer).	2006

Please see page 13 for more information about our directors.

Board Recommendation

The Board of Directors unanimously recommends that you vote FOR the election of all of the director nominees.

Table of Contents

CORPORATE GOVERNANCE AND OUR BOARD OF DIRECTORS

Corporate Governance

Corporate Governance Overview

We have a long history of following corporate governance practices that are in the best interests of our business and our share owners. We comply with the corporate governance requirements imposed by the Sarbanes-Oxley Act, the SEC and the NYSE. We will continue to review and modify our policies and practices to address ongoing developments in this area. While many of our corporate governance principles are discussed in other sections of this proxy statement, some of the highlights are:

Annual election of directors. Our directors are elected annually for a term of office to expire at the next annual meeting (subject to the election and qualification of their successors).

Majority voting. Our directors are elected if they receive a majority vote of those shares present or represented by proxy and entitled to vote on the election.

No share owners rights plan. We do not have a share owners rights plan in effect.

Independent Lead Director. Among other responsibilities, our independent Lead Director chairs meetings of our non-management directors in executive session and acts as a liaison between non-management directors and our management.

Independent Board. Our Board is comprised of independent directors, except for our Chief Executive Officer, Mr. Johns, and Mr. Ritter.

Independent Board Committees. All members of our Audit, Compensation and Management Succession, and Corporate Governance and Nominating Committees are independent directors, and none of them receive compensation from us other than for service on our Board of Directors or its committees.

Informed and involved directors. Our corporate governance guidelines are designed to provide our directors with the information and the appropriately structured time that they need to perform their duties.

Committee authority to retain independent advisors. Each of the Audit, Compensation and Management Succession, and Corporate Governance and Nominating Committees has the authority to retain independent advisors, with all fees and expenses to be paid by Protective.

Audit Committee policies and procedures. Under its charter, the Audit Committee's prior approval is required for all audit services and non-audit services to be provided by our independent accountant.

Audit Committee financial expertise. Our Board has determined that Vanessa Wilson, a member of the Audit Committee, is an audit committee financial expert under the rules of the SEC and that all members of the Audit Committee are independent as defined by NYSE listing standards and possess financial expertise. (See our annual report to share owners for more information.)

Stock ownership guidelines. Our non-employee directors are expected to own our stock with a value of at least three times the annual Board cash retainer. Similarly, our officers are also expected to own stock with a value of a stated multiple of their base salary (five times for our chief executive officer). If a director or officer does not own the required amount of stock, they are expected to retain their current stock holdings and any compensation paid in stock until that amount is reached.

Table of Contents

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines. These Guidelines and our Board committee charters provide the framework for our governance. Our Corporate Governance and Nominating Committee oversees and reviews the Guidelines at least annually, and recommends any proposed changes to the Board for approval.

Code of Business Conduct

Our Code of Business Conduct applies to all directors, officers and employees. The Code incorporates a code of ethics that applies to our Chief Executive Officer and to all of our financial officers, including our Chief Financial Officer and our Chief Accounting Officer.

Corporate Website

Our website has a corporate governance section that contains copies of our principal governance documents. The corporate governance section may be found at www.protective.com under "Investor Relations Corporate Governance." This section contains the following documents, which are available in print to any share owner who requests a copy in writing to Protective Life Corporation, c/o Corporate Secretary's Office, Box 2606, Birmingham, Alabama 35202:

Corporate Governance Guidelines;

Code of Business Conduct;

Audit Committee Charter;

Compensation and Management Succession Committee Charter;

Corporate Governance and Nominating Committee Charter; and

Finance and Investments Committee Charter.

Communications with Directors.

Share owners and other interested parties may send communications to the Board, the Lead Director, the non-management directors as a group, or any specific director by mailing the communication to the Board of Directors, c/o Secretary, Protective Life Corporation, P.O. Box 2606, Birmingham, Alabama 35202. Protective's Secretary will forward the correspondence to the Chairman of the Corporate Governance and Nominating Committee unless it is addressed to an individual director or a specific group of directors, in which case the correspondence will be forwarded accordingly. The Board has requested that certain items unrelated to its duties be excluded, such as solicitations and advertisements, junk mail, product-related communications, job referral materials such as resumes, and surveys.

Our Board of Directors and Its Committees

Board of Directors

Our Board oversees our business affairs and monitors the performance of our management. In accordance with corporate governance principles, the Board does not involve itself in day-to-day operations. The Board has regular meetings, and has four standing committees to help it carry out its duties.

Board Leadership Structure

Our Board exercises its responsibilities under the leadership of:

the Chairman of the Board; and

the Lead Director.

Chairman of the Board. Mr. Johns currently serves as the Chairman of the Board and as our President and Chief Executive Officer. Our Board does not have a fixed policy regarding combining the roles of the Chairman and the Chief Executive Officer because it wants the flexibility to determine whether the positions should be held by the same person or by separate persons based on the leadership needs of the Board and the Company at any particular time. The Board believes that at this time, having Mr. Johns serve in both roles is the most effective leadership structure for the Board and in the best interests of our share owners and the Company. In making this determination, the Board considered (among other things):

Table of Contents

Mr. Johns' proven leadership ability and knowledge of our business;

that combining these roles provides clear leadership for the Board and management, which facilitates development and execution of our strategic initiatives and business plans;

that combining these roles demonstrates to our employees, customers, distributors and other stakeholders the Board's confidence in Mr. Johns' leadership;

the fact that our other directors (except Mr. Ritter) are all independent under the standards established by the NYSE and the Board;

the fact that our other directors are diligent and active in their service as directors; and

the effectiveness of our governance structure and processes.

Lead Director. The Board has a Lead Director, who is an independent director and who serves as the Chairman of the Corporate Governance and Nominating Committee. Mr. McMahon is currently the Lead Director. The Lead Director:

chairs any Board meeting at which the Chairman of the Board is not present;

chairs meetings of the non-management directors; and

acts as a liaison between the non-management directors and our management.

Board and Committee Meetings; Access to Management and Independent Advisors

Our corporate governance guidelines are designed to provide our directors with the information and opportunity that they need to perform their duties:

Agendas for our Board and Committee meetings are set by senior management, based on input and guidance received from the directors.

We provide the directors with information about matters on the agenda before the Board and Committee meetings, and the directors are expected to review these materials in advance.

Each director is free to raise subjects that are not on the meeting agenda.

Senior management attends the first part of each meeting, provides reports and additional information about the matters before the Board or committee, and is available to answer questions.

The second part of each meeting is attended only by directors (including Mr. Johns), although selected management members may attend a portion of this part of the meeting to discuss a specific matter; these management members are

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

excused from the meeting after that matter has been covered.

Our non-management directors are scheduled to meet in executive session without any management directors in attendance at the end of each regularly scheduled Board meeting. (The non-management directors may also decide to meet in executive session after any special meeting of the Board.) The Lead Director presides at each of these executive sessions.

Our directors have open access to members of management (including in-house counsel and internal audit and accounting personnel) and to our independent auditors. A director may arrange for meetings or other contacts with these individuals directly or through our Chief Executive Officer.

The Board and each committee has the authority to hire such independent outside financial, legal or other advisors, at the Company's expense, as they deem appropriate.

Risk Oversight

As a part of its general oversight responsibilities, our Board assesses the major risks that we face and reviews the options for mitigating these risks and the processes that we use to monitor and mitigate risks. The Board has delegated to the Finance and Investments Committee (which historically and currently consists of all of our directors) the primary

Table of Contents

responsibility for reviewing the risks that are inherent in our business and our strategy for understanding and minimizing the consequences of those risks.

The Board and the Finance and Investments Committee receive regular reports regarding our business, the risks that we face, and our strategies to address these risks from our senior management, including our President and Chief Executive Officer, our Chief Risk, Accounting, Financial, Investments and Operating Officers, and our General Counsel. The Board also reviews and approves guidelines for our investments. In addition, the other Board committees consider the risks within their areas of responsibility. For example, the Audit Committee considers the effectiveness of our internal controls over our financial reporting, and the Compensation and Management Succession Committee focuses on risks that may be implicated by our executive compensation programs.

While the Board oversees our risk management, the Company's management is responsible for the day-to-day risk management process. We believe that this division of responsibilities is consistent with good corporate governance principles and is the most effective approach for addressing the risks that we face, and that the leadership structure of our Board effectively guides and supports this approach.

Committees of the Board of Directors

The four standing committees of the Board are:

the Audit Committee,

the Compensation and Management Succession Committee,

the Corporate Governance and Nominating Committee, and

the Finance and Investments Committee.

Each committee has a formal written charter, a current copy of which is available on our website (www.protective.com), and reports its actions and recommendations to the Board. Only independent directors serve on the Audit Committee, the Compensation and Management Succession Committee, and the Corporate Governance and Nominating Committee. All of our directors (including Mr. Johns, who is our only management director) serve on the Finance and Investments Committee.

Audit Committee. Among other duties, the Audit Committee:

oversees our financial reporting and control processes on the Board's behalf, including assistance in oversight of the integrity of our financial statements; our compliance with legal requirements; the independence, qualifications and performance of the independent accountants; and the performance of our internal audit function;

reviews internal controls, systems and procedures, accounting policies, and other matters affecting our financial condition;

reviews our annual and quarterly financial statements and financial footnotes with management and the independent accountants;

discusses the types of information to be disclosed and the types of presentations to be made in the Company's earnings press releases, earnings guidance and other financial information provided to analysts and rating agencies;

appoints, evaluates and (if appropriate) terminates the independent accountants; approves all audit engagement fees and terms; and pre-approves all non-audit services; and

reviews with the independent accountants their audit procedures, management letters, and other significant aspects of their audit.

Our Board has determined that Vanessa Wilson, a member of our Audit Committee, is an audit committee financial expert under the rules of the SEC and is independent as defined by NYSE listing standards. While Ms. Wilson possesses the attributes of an audit committee financial expert (as defined under the SEC rules), she is not and has never been an accountant or auditor, and this financial expert designation does not impose any duties, obligations or liabilities that are greater than the duties, obligations and liabilities imposed by being a member of the Audit Committee or the Board. (See

Table of Contents

our annual report to share owners for more information.)

The Audit Committee concluded that, during 2012, it satisfied its responsibilities under its charter. The Audit Committee Report is on page 69.

Compensation and Management Succession Committee. Among other duties, the Compensation and Management Succession Committee:

reviews and approves the base salary, annual incentive, and long-term incentive compensation practices for our officers and key employees;

administers annual cash incentive and long-term stock-based incentive programs under our Annual Incentive Plan and Long-Term Incentive Plan; and

reviews management succession planning with the Chief Executive Officer, and recommends to the Board a successor to the Chief Executive Officer whenever the need to name a successor arises.

The Compensation and Management Succession Committee concluded that, during 2012, it satisfied its responsibilities under its charter. See pages 29-42 for more information about this Committee.

Corporate Governance and Nominating Committee. Among other duties, the Corporate Governance and Nominating Committee:

reviews and makes recommendations to the Board regarding the Board's composition, including the size of the Board, the mix of inside and outside (independent) directors, and the Board's criteria for selecting new directors;

reviews the qualifications of candidates for election to the Board and recommends to the Board both new directors and a slate of nominees for election by the share owners at our annual meeting;

makes recommendations to the Board regarding the compensation of the directors for service on the Board and its committees;

reviews and makes recommendations to the Board regarding the functions and procedures of the Board and the functions, procedures and membership of its committees (including determining whether requisite expertise is present); and

reviews the independence of the directors and reports its conclusions to the Board.

The Corporate Governance and Nominating Committee concluded that, during 2012, it satisfied its responsibilities under its charter. Also, as provided in its charter, the Corporate Governance and Nominating Committee concluded that, during 2012, the Finance and Investments Committee had satisfied its responsibilities under its charter.

Finance and Investments Committee. Among other duties, the Finance and Investments Committee:

reviews and acts upon financial and investment matters, including borrowing and lending transactions entered into by Protective and its subsidiaries;

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

establishes policies and guidelines for investment of our assets;

reviews the investment and disposition of our funds; and

reviews the risks inherent in our business and our strategy for understanding and minimizing the consequences of those risks.

Table of Contents

Committee Memberships. The following table shows the current membership of each standing committee.

Director	Audit	Comp	Corp Gov	F & I
Burton			X	X
Chao			X	X
Hamby		Chair		X
Johns				Chair
Leonard	Chair			X
McCrary			X	X
McMahon		X	Chair	X
Miller	X			X
Portera			X	X
Ritter				X
Spikes		X		X
Terry	X			X
Warren	X			X
Wilson	X			X

Other Committees. From time to time, the Board appoints other committees to assist it in its responsibilities (such as committees to determine the price and terms of securities offerings or significant transactions).

Meetings and Meeting Attendance

The Board and its standing committees held the following number of regular and special meetings during 2012:

	# Meetings
Board of Directors	6
Audit Committee	6
Compensation and Management Succession Committee	4
Corporate Governance and Nominating Committee	3
Finance and Investments Committee	3

Each director attended at least 75% of the combined Board and committee meetings held during the period served by that director in 2012.

Share Owners Annual Meeting. Our directors are expected to attend annual meetings of share owners. All directors then serving on our Board attended the 2012 annual meeting.

Board Composition, Nominations and Qualifications**Board Composition and Director Qualifications**

Our Board has adopted policies regarding our directors and the composition of the Board. These policies state that our directors should:

be non-employees (except for our President and Chief Executive Officer);

have a background evidencing a high level of knowledge, experience, judgment, education, character, dedication and achievement;

possess high personal and professional ethics, integrity and values;

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

have an inquisitive and objective perspective, practical wisdom and mature judgment;

be willing to devote sufficient time and energy to Protective's business;

be share owners as provided in our Bylaws and our Corporate Governance Guidelines;

collectively bring a diversity of backgrounds and experiences to the Board; and

be committed to representing the long-term interests of our share owners.

Our Corporate Governance and Nominating Committee and the Board consider these factors (as well as other pertinent information, such as the experience and tenure of each director, the size of the Board and the Board's retirement policy) in evaluating the Board and nominees for the Board. The Committee evaluates the effectiveness of this policy by monitoring the effectiveness of our Board and committee meetings (including the effectiveness of reports made by management, the preparation and participation of the directors in the meetings, and the interaction and communication between the directors and management).

Table of Contents

Director Nominations

The Corporate Governance and Nominating Committee considers recommendations for director nominees from directors and share owners. Share owners should submit recommendations in writing to the Corporate Governance and Nominating Committee, c/o Secretary, Protective Life Corporation, P.O. Box 2606, Birmingham, Alabama 35202. Please include relevant information about the potential nominee (including name, address, telephone numbers, and a brief description of the individual's background and experience). Each individual recommended will be evaluated in light of the criteria described above.

Qualification of Directors

The following summarizes some of the key experiences, qualifications, education and other attributes of our directors:

Robert O. Burton. Mr. Burton is the President and Chief Executive Officer of Hoar Construction LLC, a construction company with projects in the retail, heavy civil, commercial, healthcare, institutional and hospitality markets. Mr. Burton grew up in the construction industry, spending his summers working at Hoar Construction from the time he was thirteen. After joining Hoar Construction full time, Mr. Burton quickly moved through the ranks, progressing from his college co-op days to his present capacity. Mr. Burton serves on the Board of Directors of Regions Bank and on the Board and Executive Committee of American Contractors Insurance Group, a private company categorized under Workers' Compensation Insurance. Mr. Burton serves as a director for the Lakeshore Foundation and is a past member of the Boards of the National Multiple Sclerosis Society, the Birmingham Zoo and the Baptist Health Foundation. Mr. Burton's community involvement also includes the Birmingham Business Alliance, the Monday Morning Quarterback Club, and the Kiwanis Club of Birmingham. Mr. Burton received an undergraduate degree in Building Construction from Auburn University. We believe that Mr. Burton's skills that have led to the expansion of Hoar Construction through the addition of a Healthcare division, a Program Management division and opening offices in Houston, Orlando and Nashville; his leadership in the community; and his seasoned business judgment are valuable to our Board of Directors.

Elaine L. Chao. Secretary Chao served as the 24th Secretary of the United States Department of Labor from 2001 until 2009. She is a Distinguished Fellow at the Heritage Foundation, and Chairman of the Ruth Mulan Chu Chao Foundation. Prior to leading the Department of Labor, Secretary Chao was President and Chief Executive Officer of United Way of America, Director of the Peace Corps, Deputy Secretary of the Department of Transportation and Chairman of the Federal Maritime Commission. She was also a banker with Bank of America and Citicorp. She currently serves on the Boards of Directors of Dole Food Company, Wells Fargo & Company and News Corporation. Secretary Chao previously served on the Company's Board of Directors from 1997-2000. Other directorships prior to her return to government service in 2011 included: NASD, Inc.; Northwest Airlines; HCA Healthcare Company; and Raymond James Financial. Secretary Chao received her Master in Business Administration from Harvard Business School and a degree in economics from Mount Holyoke College. We believe that Secretary Chao's executive skills and experience as a leader in the private, public and non-profit sectors, along with her seasoned business judgment, are valuable to the Company's Board of Directors.

Thomas L. Hamby. Mr. Hamby is retired from AT&T, Inc. (formerly BellSouth Corporation), where he held the office of President-Alabama. Mr. Hamby joined BellSouth in 1971 and held various positions of increasing responsibility within BellSouth, including Director of Federal Regulatory Matters in Washington, DC, Vice President of Product Management for the Company and Vice President/Regulatory-Georgia. He was appointed President-Alabama in December 1999, and President-Alabama, AT&T in January 2007. As President-Alabama, Mr. Hamby led a successful effort to introduce and pass legislation to deregulate operations and allow development of a more competitive marketplace. Mr. Hamby is a member of Region Bank's Birmingham Advisory Board. Mr. Hamby has served as Chairman of the Business Council of Alabama, Chairman of the Metropolitan Development Board, Chairman of the Birmingham Area Chamber of Commerce, Chairman of the Board of the Greater Alabama Council Boy Scouts of America, Treasurer of the Birmingham Civil Rights Institute, Chairman of the Governor's Task Force on Education, and previously served for six years as the Chairman of the Board of Trustees of the Birmingham Museum of Art. Mr. Hamby holds an

Table of Contents

undergraduate degree in agricultural engineering from the University of Georgia and is actively involved in beef production on the Hamby Farm in Georgia. We believe that Mr. Hamby's skills and experience as a senior executive at AT&T in the telecommunications industry, which during his tenure transitioned from being heavily regulated to becoming highly competitive; and his experience as a leader in other business and civic organizations; along with his seasoned business judgment, are valuable to our Board of Directors.

John D. Johns. Mr. Johns joined Protective in October 1993 as Executive Vice President and Chief Financial Officer. In August 1996, Mr. Johns became President and Chief Operating Officer; in January 2002, he became President and Chief Executive Officer; and in January 2003, he became Chairman, President and Chief Executive Officer. Before joining Protective, Mr. Johns was Executive Vice President and General Counsel of Sonat Inc. Prior to joining Sonat, Mr. Johns was an attorney in private practice, focusing on commercial and financing transactions and the financial services industry. Mr. Johns is on the Boards of Directors of Alabama Power Company (a wholly-owned subsidiary of The Southern Company, whose stock is traded on the NYSE), Regions Financial Corporation and Genuine Parts Company. He is a Trustee of Birmingham-Southern College and the Altamont School. He is on the Boards of Directors of the American Council of Life Insurers, the Birmingham Civil Rights Institute, and the Economic Development Partnership of Alabama. He currently serves on the Executive Committee of the Board of Directors for the Financial Services Roundtable, is the Chairman of the Board for the Birmingham Business Alliance and is the Chairman Elect Designate to the American Council of Life Insurers' Board of Directors. He has previously served in a leadership role in the Business Council of Alabama, other financial services industry associations and civic and educational organizations. Mr. Johns received an undergraduate degree from the University of Alabama and a Master of Business Administration and a Juris Doctorate from Harvard University. We believe that Mr. Johns' background in the practice of law; his skills and experience as a senior executive of the Company and Sonat; and his experience as a leader in other business, civic, educational and charitable organizations; his knowledge and experience as a leader in the life insurance industry; and his long-standing knowledge of the Company; and his seasoned business judgment, are valuable to our Board of Directors.

Vanessa Leonard. Ms. Leonard is a practicing attorney and provides consulting services for not-for-profit organizations, primarily in the areas of management, legal and organizational behavior. She was previously a senior consultant and manager with KPMG, Higher Education Consulting, Southeast Market in Washington, D.C. and Atlanta, Georgia, and a financial analyst for Emory University in Atlanta, Georgia. In her consulting and analyst roles, Ms. Leonard focused on management accounting matters (primarily governmental compliance and indirect cost accounting) for higher education institutions. Ms. Leonard is a member of the Board of Trustees of the University of Alabama, where she is Chairman of its Audit Committee and serves on its Finance, Compensation and Investment Committees. Ms. Leonard is also a member of the Health Care Authority for Baptist Health Board. Ms. Leonard served on the Governor's Task Force to Strengthen Alabama's Families and previously served on the Board of the United Way for the Lake Martin area in Alabama. Ms. Leonard received an undergraduate degree in Health Care Management from the University of Alabama, a Master of Business Administration from the University of Mississippi and a Juris Doctorate from the University of Alabama School of Law. The Company believes that Ms. Leonard's experience as an attorney; her management accounting experience and skills in the field of accounting and compliance with complicated regulations for large, complex organizations; and her leadership roles in civic and not-for-profit organizations, are valuable to the Company's Board of Directors.

Charles D. McCrary. Mr. McCrary is President and Chief Executive Officer of Alabama Power Company, an electric utility company that is wholly owned by The Southern Company (a corporation whose stock is traded on the NYSE). Mr. McCrary joined Alabama Power while in college and has held various positions of increasing responsibility within Southern Company. He served as Vice President for Southern Nuclear Operating Company and later held the positions of President of Southern Company Generation, Chief Production Officer of Southern Company and President of Southern Power Company. Mr. McCrary serves as Chairman of the Economic Development Partnership of Alabama. He serves on the Boards of Directors of Regions Financial Corporation, Mercedes-Benz U.S. International, Inc., Children's Health System and Auburn University, as well as various civic organizations. He is also a member of the State of Alabama Engineering Hall of Fame. Mr. McCrary

Table of Contents

received an undergraduate degree in mechanical engineering from Auburn University and a Juris Doctorate from the Birmingham School of Law. We believe that Mr. McCrary's skills and experience as a senior executive of Alabama Power Company, a large and highly regulated electric utility company; his experience as a leader in other business, civic, not-for-profit and educational organizations; and his seasoned business judgment, are valuable to our Board of Directors.

John J. McMahon, Jr. Mr. McMahon is Chairman of Ligon Industries, LLC. Previously, Mr. McMahon was a lawyer in private practice in Birmingham, Alabama, before spending 25 years with McWane, Inc., a privately held manufacturing company with international operations having over 20 plants and over one billion dollars in sales. During his career at McWane, Inc., Mr. McMahon held numerous management positions, including President and Chairman of the Board, and negotiated over 25 acquisitions ranging from publicly held companies to small privately held companies. Mr. McMahon serves or has served on the Boards of Directors of publicly and privately held companies, including ProAssurance Corporation, National Bank of Commerce, Alabama National Bancorporation, John H. Harland Company and Cooper/T. Smith Company. He is on the Boards of Trustees for the University of Alabama and Birmingham-Southern College. He has also been a Director or Trustee of the Birmingham Airport Authority and the University of Alabama at Birmingham Health System. Mr. McMahon received his undergraduate degree from Birmingham-Southern College and a Juris Doctorate from the University of Alabama School of Law. We believe that Mr. McMahon's background as a lawyer in private practice; his skills and his long experience as a senior executive of McWane and Ligon Industries; his experience as a leader in other business, civic, educational, and not-for-profit organizations; his long-standing knowledge of the financial services industry; and his seasoned business judgment, are valuable to our Board of Directors.

Hans Miller. Mr. Miller is an advisor to financial and non-financial institutions globally, particularly in the areas of acquisitions and strategy. Mr. Miller's career has included extensive multi-national business experience in both operations and corporate finance. Mr. Miller is the Non-Executive Chairman of Hwa Hong Corporation Ltd., Singapore. Previously, he was Managing Director and Senior Advisor with Banc of America Securities LLC, Senior Vice President of The Hartford Financial Services Group, Inc., President and CEO of The Hartford International Financial Services Group, Inc. and Chief Operating Officer of Hartford companies in Brussels, Belgium. He is a past Chairman of the Committee of American Insurers in Europe and of the International Committee of the American Insurance Association. He was an industry expert to the OECD Insurance Committee in Paris, a member of the U.S. Commerce Department's Advisory Committee ISAC 13, and a past Board Member of ITT Europe. Mr. Miller has also held leadership roles on the Boards of Directors of non-profit organizations and is a professional photographer and founder of a publishing company. Mr. Miller received an undergraduate degree in economics from Carleton College in Northfield, Minnesota, and studied at the Universite de Besancon in Besancon, France and the College of Insurance in New York. We believe that Mr. Miller's extensive background in the insurance industry, both in the U.S. and internationally; his experience as an executive in investment banking and insurance; and his experience as a leader in international insurance industry organizations, are valuable to our Board of Directors.

Malcolm Portera. Dr. Portera is the former Chief Executive Officer of The University of Alabama System, which is Alabama's largest higher education enterprise. It includes doctoral research universities in Tuscaloosa, Birmingham and Huntsville as well as the acclaimed UAB Health System. Prior to his position at The University of Alabama System, Dr. Portera was the 16th president of Mississippi State University. Before that, Dr. Portera held a number of increasingly important positions with the University of Alabama System before leaving in 1996 to launch a successful business development and strategic planning company. Dr. Portera serves on the Board of Directors of Alabama Power Company, where he is a member of its Compensation Committee, and he previously served on the Board of Directors of Regions Financial Corporation. He also serves in a leadership role for the Riley Foundation. He is the former Chairman of the Council of Presidents of the Southeastern Universities Research Association and Vice Chairman of the Alabama Research Alliance. Dr. Portera received undergraduate and master's degrees from Mississippi State University and a Ph.D. from The University of Alabama. We believe that Dr. Portera's background and long experience as a senior executive of The University of Alabama System and Mississippi State University; his

Table of Contents

experience as a leader in other business, civic, educational and not-for-profit organizations; and his seasoned business judgment, are valuable to our Board of Directors.

C. Dowd Ritter. Mr. Ritter retired as the Chairman and Chief Executive Officer of Regions Financial Corporation and Regions Bank on March 31, 2010 after forty-one years of service. Throughout his career, Mr. Ritter was elected to positions of increasing responsibility including Executive Vice President of Retail Banking; Senior Executive Vice President of the Trust Division; Vice Chairman of the Board; President and Chief Operating Officer and then Chairman and Chief Executive Officer. Mr. Ritter also serves on the Board of Directors of Alabama Power Company, Board of Trustees of Birmingham-Southern College and Chairman Emeritus of the Birmingham Business Alliance. Mr. Ritter served as Corporate Chairman for the Alabama Symphony Orchestra 2010 Maestro's Ball. Mr. Ritter's additional past service to the community includes serving as honorary Co-Chairman of The New Ronald McDonald House Capital Campaign in 2006, 2009 Co-Chairman of the 50th Anniversary Campaign for The Community Foundation of Greater Birmingham, 2007 Honorary Chairman of the Multiple Sclerosis Society's Legacy of Leadership Campaign, Birmingham Civil Rights Institute Campaign Steering Committee, the Sixteenth Street Baptist Church Stabilization Steering Committee, Chairman of the Board of Directors and 1993 Campaign Chairman for the United Way of Central Alabama, and Campaign Co-Chairman for the American Cancer Society's Five Points South Center and Hope Lodge, member of the Board of Trustees of the Birmingham Museum of Art and Leadership Birmingham, and the Board of Directors of the Economic Development Partnership of Alabama. Mr. Ritter was named Business Person of the Year in 2006 by the *Birmingham Business Journal*, CEO of the Year in 1998 by *The Birmingham News*, and the 1999 Humanitarian of the Year by the Alabama Chapter of the Arthritis Foundation. Mr. Ritter earned an undergraduate degree in Economics from Birmingham-Southern College in Birmingham, Alabama. He is a graduate of the School of Banking of the South at Louisiana State University, where he has been a past instructor. We believe that Mr. Ritter's experience as a senior executive of large financial institutions; the depth of his exposure to complex financial issues at such large public companies; his experience as a leader in other business, civic, not-for-profit and educational organizations; and his seasoned business judgment, are valuable to our Board of Directors.

Jesse J. Spikes. Mr. Spikes is Senior Counsel with the Atlanta based law firm, McKenna Long & Aldridge LLP, specializing in corporate, banking, insurance, health care and sports law. Mr. Spikes also works with businesses in the areas of advertising and marketing law, including the negotiation of endorsements and the preparation of licensing agreements. Mr. Spikes has practiced law for more than thirty years. He joined the firm in 1986, became a partner in 1989 and senior counsel in 2010. Mr. Spikes previously served as General Counsel of Atlanta Life Insurance Company and legal advisor for Al Bahrain Arab African Bank. Mr. Spikes has previously served as a director of publicly and privately held companies. Mr. Spikes serves in leadership roles with Children's Health Care of Atlanta, and has served in leadership roles with Boy Scouts of America. Mr. Spikes received his undergraduate degree in English from Dartmouth College, his undergraduate degree in Philosophy and Politics from University College at Oxford University and his Juris Doctorate from Harvard University. We believe that Mr. Spikes' skills and experience as an attorney whose practice concentrated in areas of corporate and insurance law, with particular emphasis on corporate governance and compliance, internal investigations and audits, special board committee representations, corporate finance and mergers and acquisitions; and his experience as a leader in other business and civic organizations are valuable to our Board of Directors.

William A. Terry. Mr. Terry is one of the founders of Highland Associates, Inc., an investment advisory firm that advises on approximately \$14.6 billion of assets (as of August 2012) for not-for-profit health care organizations, foundations, endowments and select individuals. Before starting Highland Associates in 1987, Mr. Terry worked in the Investment Management Consulting Group of Interstate/Johnson Lane Corporation. In addition to Highland Associates, Mr. Terry serves as a Trustee of the Nature Conservancy of Alabama. Mr. Terry previously served as a member of the Executive Committee and President for the Mountain Brook City Schools Foundation and Chairman of the Executive Board of the Greater Alabama Council of Boy Scouts of America. Mr. Terry received an undergraduate degree from Davidson College and is a CFA charter holder. The Company believes that Mr. Terry's skills and experience at Highland Associates in the field of investments and as a leader

Table of Contents

of the firm; his experience as a leader in civic, educational and not-for-profit organizations; and his seasoned business judgment, are valuable to our Board of Directors.

W. Michael Warren, Jr. Mr. Warren is President and Chief Executive Officer of Children's of Alabama and Children's Hospital, an independent, not-for-profit, free-standing pediatric healthcare center. Prior to joining Children's in January 2008, Mr. Warren was Chairman and Chief Executive Officer of Energen Corporation and its two primary subsidiaries, Alagasco and Energen Resources. Mr. Warren became President of Alagasco in 1984 and held a number of increasingly important positions with Energen before being named President and Chief Executive Officer in February 1997 and Chairman in January 1998. Mr. Warren was a lawyer in private practice in Birmingham, Alabama, before joining Alabama Gas in 1983. Mr. Warren served on the Board of Directors of Energen Corporation until his term expired in April 2010. Mr. Warren has served as Chairman of the Board of Directors of the Business Council of Alabama, the United Way, and Children's of Alabama. He also has been Chairman of the Metropolitan Development Board, the Alabama Symphony Board of Directors and the American Heart Association Board of Directors. He has chaired the general campaign of the United Way for Central Alabama and the United Negro College Fund. Mr. Warren received an undergraduate degree from Auburn University and a Juris Doctorate from Duke University. We believe that Mr. Warren's background as an attorney; his skills and long experience as Chairman and CEO of a highly regulated publicly held utility; his continuing experience as President and CEO of Children's of Alabama; his experience as a leader in other business, civic, and not-for-profit organizations; and his seasoned business judgment, are valuable to our Board of Directors.

Vanessa Wilson. Ms. Wilson is a finance professional with 25 years of experience on Wall Street and in the insurance industry, with particular expertise in investments, the public markets, and corporate finance. Ms. Wilson is the Chief Financial Officer for Golden Seeds, LLC. Ms. Wilson retired in 2007 from Deutsche Bank Securities, Inc., where she had been a Managing Director and equity research analyst with primary responsibility for the U.S. life insurance industry. She had previously held senior positions in equity research at Credit Suisse First Boston and Donaldson, Lufkin & Jenrette. She is past-president of the Association of Insurance and Financial Analysts. Ms. Wilson also spent three years in the insurance industry practice of the Investment Banking Division of Credit Suisse. Prior to Credit Suisse, Ms. Wilson worked in the insurance industry with Marsh & McLennan, initially as an insurance broker and then as a property-casualty credit analyst. In addition to her investment activities with Golden Seeds, Ms. Wilson holds a leadership position with responsibilities for investor and entrepreneur education. In this capacity, Ms. Wilson created an entrepreneur training program, which is delivered in partnership with Barnard College's Athena Leadership Lab. Ms. Wilson is also active in her community through various non-profit initiatives. She is a Board Member and the Treasurer of Futures and Options, which connects underserved youth with paid internships and mentoring. As a former trustee of The Ethel Walker School, a secondary school in Connecticut, Ms. Wilson served on the Finance and Audit Committees and was the Chairman of the Investment Committee for the endowment. Ms. Wilson is also actively engaged in a variety of financial education initiatives in the New York metro area, and on behalf of The Coalition for Debtor Education, she teaches financial literacy at several non-profits. Ms. Wilson received an undergraduate degree from Amherst College, and a Master of Business Administration from New York University's Stern School of Business. We believe that Ms. Wilson's background, skills, and experience as a senior financial analyst in the life insurance industry; her extensive knowledge of the industry; her experience in and leadership roles in civic, not-for-profit and educational organizations, are valuable to our Board of Directors.

Table of Contents

Director Independence

Independence Standards

Our Corporate Governance Guidelines provide that a majority of our directors must meet the criteria for independence required by the NYSE. The Board has adopted categorical independence standards consistent with the NYSE listing guidelines. These standards are contained in Exhibit A to our Corporate Governance Guidelines, found on our website at www.protective.com under "Investor Relations Corporate Governance." A director is not considered independent unless the Board has determined that the director has no direct or indirect material relationship with us. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. In determining a director's independence, the Board also observes any other laws and regulations governing us and evaluates any information it has that may impact independence.

The Board has established certain categories of relationships that do not, in the Board's opinion and absent other circumstances, cause a director to be less than independent. As a result, the Board does not consider the following relationships to be automatic disqualifiers when evaluating the independence of our directors:

if a family member of the director (other than a spouse, child or child-in-law) is, or has been within the last 3 years, a Protective employee, if the employee is not an executive officer of Protective or an officer with a policy-making role;

if an immediate family member of the director is either:

a current employee of our internal or external auditor, if the immediate family member does not participate in the firm's audit, assurance or tax compliance practice; or

a partner, member or principal of a law firm or other firm that provides non-accounting professional services, if the immediate family member does not derive income directly dependent on the revenues received from us or perform significant work for us;

if the director or an immediate family member is an officer or director of another company or an organization on whose board any of our present executive officers or other directors sit;

if the director or an immediate family member is a current executive officer or other employee of another company that either:

does business with us and the annual sales to, or purchases from, us in any of the last 3 fiscal years were less than 2% of the other company's consolidated gross revenues; or

is indebted to us, or to which we are indebted, and the total amount of either company's indebtedness to the other is less than 1% of the other company's total consolidated assets; or

if the director or an immediate family member is an executive officer, director or trustee of a foundation, university or other nonprofit organization that has received from us (including our foundation), during any of the last 3 fiscal years, contributions which did not exceed the greater of \$1 million or 25% of that organization's annual consolidated gross revenue during that organization's fiscal year.

Review of Director Independence

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

The Board conducts an annual review of the independence of all directors. Before the meeting at which this review occurs, each director is asked to supply the Corporate Governance and Nominating Committee and the Board with complete information about the director's relationships with us and with our senior management and their affiliates. Our management provides additional information about transactions, relationships or arrangements between us and the directors or parties related to the directors.

The Corporate Governance and Nominating Committee reviews this information and makes its

Table of Contents

own determinations of each director's independence. It reports its findings and the reasons for those findings to the Board, which then makes the final determinations of director independence.

Independence Determinations

The Corporate Governance and Nominating Committee and the Board have reviewed the independence of our directors, following the procedures outlined above. As part of this review, the Committee and the Board considered the following:

Mr. McCrary serves as President and Chief Executive Officer of Alabama Power Company; Mr. Johns also serves as a director of Alabama Power Company. Alabama Power Company has no publicly traded common stock, and is a wholly-owned subsidiary of The Southern Company, a corporation whose stock is traded on the NYSE. Among other factors that they considered, our Corporate Governance and Nominating Committee and our Board have been advised that the Board of Directors of The Southern Company (and not the Board of Directors of Alabama Power Company) determines Mr. McCrary's compensation and terms of employment and all issues regarding Mr. McCrary's tenure and management succession planning.

That a limited liability company, established by limited liability companies maintained for the benefit of the families of Mr. Johns and Mr. Terry, owns certain recreational property (a small portion of which is also owned by each of Mr. Johns and Mr. Terry).

Mr. Johns and Mr. McCrary are directors of Regions Financial Corporation. Mr. Ritter is the former Chief Executive Officer of Regions Financial and his son, William D. Ritter, is an executive officer of Regions Financial. Mr. Burton and Mr. Hamby serve as directors on a local Regions Bank Advisory Board.

As previously disclosed in our Current Report on Form 8-K filed with the SEC on February 6, 2013, on that date we notified the NYSE that we had not been in compliance with Section 303A.05 of the NYSE listing standards (which requires listed companies to have a compensation committee composed entirely of independent directors, as defined in the listing standards). As disclosed in the Form 8-K, in the course of gathering information to prepare this proxy statement, we learned that C. Dowd Ritter's son, William D. Ritter, is an executive officer (as defined in the listing standards) of Regions Financial. Because William D. Ritter is an immediate family member of C. Dowd Ritter and an executive officer (as that term is used in NYSE listing standards) of Regions Financial, and Mr. Johns, our Chairman of the Board, President and Chief Executive Officer, has served as a member of the Compensation Committee of the Board of Directors of Regions from October 2011 until February 6, 2013, C. Dowd Ritter is not considered to be an independent director of the Company under the NYSE listing standards. Accordingly, we determined that C. Dowd Ritter, the former Chairman of our Compensation and Management Succession Committee, was not independent under the NYSE listing standards, and that our Compensation and Management Succession Committee had not been in compliance with the NYSE listing standards.

We acted promptly to regain compliance with the NYSE listing standards. On February 6, 2013, C. Dowd Ritter resigned as Chairman and as a member of our Compensation and Management Succession Committee, and the Board appointed Mr. Hamby to serve as Chairman of the Committee and appointed Mr. McMahan to serve as a member of the Committee to fill the vacancy resulting from Mr. Ritter's resignation. The current members of the Committee (Mr. Hamby (Chairman), Mr. McMahan and Mr. Spikes) are all independent as defined in the NYSE listing standards. Therefore, as a result of these actions, we have regained compliance with the NYSE listing standards.

After review and discussion of the information provided to it and the report of the Corporate Governance and Nominating Committee, the Board affirmatively determined that, under the NYSE independence standards, twelve of our current non-employee directors (Burton, Chao, Hamby, Leonard, McCrary, McMahan, Miller, Portera, Spikes, Terry, Warren and Wilson) are independent. Mr. Ritter and Mr. Johns, our Chairman, President and Chief Executive Officer, are our only non-independent directors. The Board also determined that all members of the Audit Committee, the Compensation and Management Succession Committee, and the Corporate Governance and Nominating Committee meet the applicable independence requirements as defined by NYSE listing standards.

Table of Contents

Compensation Committee Interlocks and Insider Participation

During 2012, the members of our Compensation and Management Succession Committee were Mr. Ritter (Chairman), Mr. Hamby and Mr. Spikes. No interlocking relationship (as defined in the SEC proxy rules) existed during 2012 between any of these individuals and any of our executive officers. In addition, none of these individuals has ever been an officer or employee of ours, or had any relationship for which the SEC requires disclosure (except as noted above).

Related Party Transactions

Related Party Transaction Policy and Procedures

We review all relationships and transactions in which we and "related parties" (our directors, director nominees, executive officers, and their immediate family members) participate to determine if any related party has a direct or indirect material interest. Our General Counsel's Office is primarily responsible for developing and implementing processes to obtain the necessary information and for determining, based on the facts and circumstances, whether a direct or indirect material interest exists. We disclose any such transactions in our proxy statement, as required by SEC rules.

If the General Counsel's Office determines that a transaction may require disclosure under SEC rules, the General Counsel's Office will notify:

the Corporate Governance and Nominating Committee, if the transaction involves one of our directors or director nominees; otherwise,

the Audit Committee.

The relevant Board committee will approve or ratify the transaction only if it determines that the transaction is in our best interests. In considering the transaction, the committee will consider all relevant factors, including (as applicable):

our business rationale for entering into the transaction;

the alternatives to entering into the transaction;

whether the terms of the transaction are comparable to those that could be obtained in arms-length dealings with an unrelated third party;

the potential for the transaction to lead to an actual or apparent conflict of interest, and any safeguards imposed to prevent actual or apparent conflicts; and

the overall fairness of the transaction to us.

Related Party Transactions

Based on the information available to the General Counsel's Office and to the Board, there have been no transactions between us and any related party since January 1, 2012, nor are any currently proposed, for which disclosure is required under SEC rules.

Table of Contents**Director Compensation**

This table has information about the 2012 compensation of our non-employee directors.

Director Compensation Table				
Name	Fees earned or paid in cash (\$)	Stock awards (\$)	All other compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)
Robert O. Burton	\$ 66,200	\$ 56,812	\$ 4,743	\$ 127,755
Elaine L. Chao	\$ 69,300	\$ 56,812	\$ 157	\$ 126,269
Thomas L. Hamby	\$ 67,400	\$ 56,812	\$ 4,726	\$ 128,938
Vanessa Leonard	\$ 96,400	\$ 56,812	\$ 4,321	\$ 157,533
Charles D. McCrary	\$ 66,200	\$ 56,812	\$ 4,423	\$ 127,435
John J. McMahon, Jr.	\$ 71,200	\$ 56,812	\$ 157	\$ 128,169
Hans H. Miller	\$ 75,300	\$ 56,812	\$ 1,186	\$ 133,298
Malcolm Portera	\$ 72,800	\$ 56,812	\$ 157	\$ 129,769
C. Dowd Ritter	\$ 72,400	\$ 56,812	\$ 4,423	\$ 133,635
Jesse J. Spikes	\$ 74,000	\$ 56,812	\$ 157	\$ 130,969
William A. Terry	\$ 67,400	\$ 56,812	\$ 4,468	\$ 128,680
W. Michael Warren, Jr.	\$ 69,800	\$ 56,812	\$ 4,938	\$ 131,550
Vanessa Wilson	\$ 75,300	\$ 56,812	\$ 157	\$ 132,269

Discussion of Director Compensation Table

We pay director compensation only to directors who are not our employees.

Column (b) Fees earned or paid in cash. The 2012 cash compensation components were

Cash Retainer Fees

Board membership \$12,500 per quarter

Additional retainer for Audit Committee chair \$5,000 per quarter

Additional retainer for other Board committee chairs \$1,250 per quarter

Cash retainers are paid in February, May, August and November.

Meeting Attendance Fees

Board meeting (or per day for multi-day meetings):

out-of-town director in person \$2,600

out-of-town director by telephone \$1,500

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

in-town director \$1,500

Board committee meeting \$1,200

For meetings held in Birmingham in 2012, our out-of-town directors were Secretary Chao, Ms. Leonard, Mr. Miller, Dr. Portera, Mr. Spikes and Ms. Wilson.

Column (c) Stock awards. The amount in the table reflects the issuance on May 14, 2012, of 2,000 shares of our common stock to each director as an annual stock retainer. This amount is based on the value of our stock on that date (\$28.41).

Table of Contents

These grants were made under our Stock Plan for Non-Employee Directors, which is described below.

Column (d) All Other Compensation. During 2012, we gave each director a gift that cost \$157, and this amount is included in the table.

If a director's spouse or appropriate guest travels with the director on Company business, we reimburse the director for the associated travel expenses if the spouse's or guest's presence on the trip is deemed necessary or appropriate for the purpose of the trip. If reimbursement of these expenses results in taxable income to the director, we provide the director a payment to cover the taxes that the director is expected to incur with respect to the reimbursement (and the related payment). In some situations, these tax reimbursement payments are paid in the year after the spouse's or guest's trip. During 2012, Mr. Burton, Mr. Hamby, Ms. Leonard, Mr. McCrary, Mr. Miller, Mr. Ritter, Mr. Terry and Mr. Warren each received a tax reimbursement payment with respect to spousal or guest travel expenses incurred in 2011, and these amounts are included in the table.

Stock Plan for Non-Employee Directors. We believe that director compensation should be tied to your interests as share owners. Therefore, we pay a significant percentage of director compensation in our common stock.

Each year, the Board of Directors may grant each non-employee director shares of our stock as part of their annual retainer. The maximum grant is 2,000 shares per director per year. Grants are made under our Stock Plan for Non-Employee Directors, which you approved in 2004. We may issue no more than 100,000 shares under the plan before its scheduled May 1, 2014 termination date. (We are asking you to approve an amended and restated Stock Plan for Non-Employee Directors at this year's annual meeting, as discussed at Proposal 2 below.)

Deferred Compensation Plan. Directors may elect to defer their compensation. They may defer cash amounts into a common stock equivalent or an interest-bearing equivalent (earning interest at the 30-day LIBOR rate plus 0.75%). Directors may defer stock compensation only as common stock equivalents. We do not provide any above-market or preferential earnings rates, and do not guarantee that a director's investments in common stock equivalents will make money.

Amounts deferred into the interest-bearing equivalent are payable in cash. Amounts deferred as common stock equivalents are payable as shares of stock.

Stock Ownership Guidelines. Our directors are expected to own our stock (or stock equivalents held under our deferred compensation plan) with a value of at least 3 times the annual retainer. If a director does not own this amount when first elected, the director must retain shares of stock until this level is met. This guideline applies to all shares that the director acquires (even if they purchase shares on the open market).

Table of Contents

PROPOSAL 2: APPROVAL OF STOCK PLAN FOR NON-EMPLOYEE DIRECTORS

Introduction

We believe it is in the best interests of you and the Company for our non-employee directors to receive a significant portion of their annual retainer in the form of common stock. We currently make annual grants of common stock to our non-employee directors under our Stock Plan for Non-Employee Directors, which you approved in 2004. The Board believes that the Plan helps the Company attract, motivate and retain talented non-employee directors, and links their compensation to Company performance.

In February 2013, the Board amended and restated the Plan, to be effective as of May 13, 2013 if you approve it. As described in more detail below, the Board is seeking your approval of the revised Plan:

to extend the term of the Plan by approximately five years, to May 31, 2019,

to increase the maximum number of shares that may be granted to a non-employee director in any calendar year, and

to authorize the issuance of 300,000 additional shares, approximately 53,197 of which will be issued in the future with respect to grants that have already been made but cannot be satisfied without authorization to issue additional shares.

Extension of Plan Expiration Date. The Plan is scheduled to expire on May 1, 2014. As amended and restated, the expiration date of the revised Plan would be extended for approximately five years, until May 31, 2019.

Change in the Maximum Annual Grant. The Board also amended the maximum number of shares that may be awarded annually to any non-employee director. As amended, the Plan would provide that no more than 5,000 shares may be granted to an eligible director in a calendar year.

Addition of 300,000 Shares. The Plan as amended by the Board includes an additional 300,000 shares to be issued under the Plan, which would bring the total number of shares authorized to be issued under the Plan to 400,000. Since you approved the Plan in 2004, the Board has granted shares to each non-employee director as a portion of the director's annual retainer. For example, in each of the last four years (including 2012), the Board granted 2,000 shares to each non-employee director. (New directors received a pro-rated grant based on the number of months remaining until the next grant of shares.) A director may elect to have these shares issued to them immediately, or to defer the grants into their account in the Deferred Compensation Plan for Directors Who Are Not Employees of the Company (the "Directors' Deferred Compensation Plan"). Share equivalents in the Directors' Deferred Compensation Plan (including share equivalents purchased with reinvested dividend equivalents) are issued to the director as shares of our common stock, generally upon the director's end of service on the Board or the director's death, as provided in that plan.

Since you approved the Plan in 2004, 32,338 shares have been issued under the Plan. As of the date of this proxy statement, an additional 120,859 shares are to be issued under the Directors' Deferred Compensation Plan (representing deferred awards made under the Plan plus share equivalents that have accumulated through the reinvestment of dividend equivalents). Under the terms of the Plan as approved in 2004, the Company may not issue, and is not obligated to issue, more than 100,000 shares. Accordingly, as of the date of this proxy statement, there are approximately 53,197 more shares to be issued at some time in the future than you have authorized.

We are requesting your approval of the Plan as amended by the Board, which includes authorizing the issuance of additional shares, in order to be able to issue shares with respect to the approximately 53,197 currently outstanding excess grants as well as any future grants. Without your approval, we will not be able to issue shares with respect to the currently outstanding excess grants and we will not continue granting shares to our directors. Because the Board believes that your interests are best served when our non-employee directors receive a significant portion of their annual retainer in the form of common stock, we are requesting that you approve the Plan as amended by the Board, including the authorization to issue 300,000 additional shares under the Plan.

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

Table of Contents

The following table shows the number of shares that will be available for issuance if you approve the Plan as amended by the Board in 2013:

Shares authorized to be issued under Plan as amended by the Board in 2013	400,000
Shares issued under the Plan as of March 27, 2013	32,338
Grants of shares that have been deferred under the Directors' Deferred Compensation Plan (including reinvested dividend equivalent) as of the date of this proxy statement	120,859
Shares remaining to be issued in the future with respect to future grants (including reinvested dividend equivalents)	246,803

Factors to Consider

As discussed in more detail on pages 22-23, the compensation program for our non-employee directors has the following features:

Our non-employee directors are expected to own our stock (or stock equivalents held under our deferred compensation plan) with a value of at least 3 times the annual retainer. If a director does not own this amount when first elected, the director must retain shares of stock until this level is met. This guideline applies to all shares that the director acquires (even if they purchase shares on the open market).

Shares awarded under the Stock Plan for Non-Employee Directors do not have holding or vesting periods. However, a director cannot dispose of shares acquired under the Plan unless, after doing so, they would remain in compliance with the stock ownership guidelines.

11 of our 13 non-employee directors currently elect to defer receipt of grants under the Plan as stock equivalents in the Directors' Deferral Plan. Directors may defer stock compensation only as common stock equivalents. Amounts deferred as common stock equivalents are payable only as shares of stock, and are generally distributed upon a director's termination of service as a director.

In 2012, 43% of our non-employee directors' compensation was the value of shares awarded under the Plan; the remainder was primarily cash meeting fees and retainers. Based on the value of the shares expected to be granted to the non-employee directors in 2013 if you approve the Plan (as discussed under "New Plan Benefits" below), we expect that in 2013 at least 50% of their compensation will be the value of shares awarded under the Plan.

We do not have a retirement program for non-employee directors. Except for the programs listed on page 22 under "Column (d) All Other Compensation," our directors do not receive any perquisites.

We fully disclose our compensation arrangements for our non-employee directors in each year's proxy statement.

Board Recommendation

The Board of Directors unanimously recommends that you vote "FOR" approval of the Stock Plan for Non-Employee Directors.

Stock Plan For Non-Employee Directors

The principal features of the amended and restated Plan are summarized below. The description is subject to the terms of the Plan document. The Plan document is included as an appendix to this proxy statement.

Edgar Filing: PROTECTIVE LIFE CORP - Form DEF 14A

Purpose. The purpose of the Plan is to enable the Company to pay part of the compensation of its non-employee directors in shares of the Company's common stock, thereby providing for or increasing their ownership interest in the Company.

Eligibility. Each director who has not, within the preceding twelve months, served as an officer or employee of the Company or its subsidiaries, is an "eligible director" and is eligible to receive shares of common stock under the Plan. We expect that thirteen directors would qualify as eligible directors after the annual meeting.

Grants of Shares. The Board of Directors may grant shares of common stock to the eligible directors

Table of Contents

from time to time. No eligible director may be granted more than 5,000 shares in a calendar year.

An eligible director may defer receipt of the common stock by making an election under our Directors' Deferred Compensation Plan. (See page 23 for more information about this plan.)

The maximum number of shares of common stock that may be issued under Plan is 400,000. The shares may be unissued shares or treasury shares. If there is a stock split, stock dividend, recapitalization, or other change affecting the common stock, appropriate adjustments will be made in the number of shares that may be issued in the future.

Administration. The Plan is administered by the Corporate Governance and Nominating Committee. The Committee has the authority to interpret the Plan, to adopt administrative regulations, and to take any other action necessary or appropriate for operation of the Plan.

Amendment and Termination. No shares of common stock may be issued under the Plan after May 31, 2019. The Board may amend the Plan at any time. Share owner approval is required for any amendment that would increase the number of shares of common stock that may be issued under the Plan (except as permitted for stock splits, stock dividends and other relevant changes affecting the common stock) or extend the period over which shares of common stock may be issued.

Federal Income Tax Consequences. The following is a brief summary of the Federal income tax consequences of awards made under the Plan, based on the Federal income tax laws in effect on the date of this proxy statement. This summary is not exhaustive and does not describe state or local tax consequences.

An eligible director will recognize ordinary income in the amount of the fair market value of the common stock received at the date of grant. The Company will be entitled to a tax deduction at the same time and in the same amount. The holding period to determine whether the eligible director has long-term or short-term capital gain or loss on a subsequent sale will begin on the date of grant. The eligible director's tax basis for the shares will generally equal the fair market value of the shares on the date of grant. If an eligible director defers receipt of common stock under our Directors' Deferred Compensation Plan, the date and amount of tax owed and the holding period for the shares will be based on the date distributions are made from that plan and the value of the common stock on that date.

New Plan Benefits

If you approve the Plan, the approximately 53,197 currently outstanding excess grants discussed above will be issued in shares of our stock when they become distributable from our Directors' Deferred Compensation Plan. In addition, on February 25, 2013, the Corporate Governance and Nominating Committee decided that if you approve the Plan, in May 2013 each eligible director will be granted shares with a value of \$75,000 (but not to exceed the 5,000 share limit on shares that may be issued to an eligible director in a calendar year). Based on this determination, the following table shows the benefits that would be payable under the Plan during 2013.

Table of Contents**New Benefits Table**

Name ⁽¹⁾	Dollar Value ⁽²⁾	Number of Shares ⁽²⁾⁽³⁾
Robert O. Burton	\$ 75,000	2,624
Elaine L. Chao	\$ 75,000	2,624
Thomas L. Hamby	\$ 75,000	2,624
Vanessa Leonard	\$ 75,000	2,624
Charles D. McCrary	\$ 75,000	2,624
John J. McMahon, Jr.	\$ 75,000	2,624
Hans H. Miller	\$ 75,000	2,624
Malcolm Portera	\$ 75,000	2,624
C. Dowd Ritter	\$ 75,000	2,624
Jesse J. Spikes	\$ 75,000	2,624
William A. Terry	\$ 75,000	2,624
W. Michael Warren, Jr.	\$ 75,000	2,624
Vanessa Wilson	\$ 75,000	2,624
Non-Executive Director Group (13 Directors)	\$ 975,000	34,112

(1) None of our executives or officers participate in the Plan.

(2) These numbers apply only for 2013. Grants in future years will be at the discretion of the Corporate Governance and Nominating Committee and therefore cannot be determined (but will not exceed the 5,000 share limit on shares that may be issued to an eligible director in a calendar year).

(3) Based on an assumed stock price of \$28.58 per share (our closing stock price on December 31, 2012).

Table of Contents

Shares Available. The following table has information about shares of our stock that are authorized for issuance under our equity compensation plans as of December 31, 2012.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights as of December 31, 2012 (a)	Weighted-average exercise price of outstanding options, warrants and rights as of December 31, 2012 (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as of December 31, 2012 (c)
Equity compensation plans approved by shareowners	2,702,768 ⁽¹⁾	\$ 22.15 ⁽³⁾	4,530,673 ⁽⁴⁾
Equity compensation plans not approved by shareowners	318,421 ⁽²⁾	Not applicable	Not applicable ⁽⁵⁾