

Primerica, Inc.  
Form DEF 14A  
April 05, 2016  
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 Pursuant to §240.14a-12

**PRIMERICA, INC.**

(Name of Registrant as Specified In Its Charter)

Edgar Filing: Primerica, Inc. - Form DEF 14A

(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 the transaction applies:

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

(3) Per unit price or other underlying value of the 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):

(4) Proposed maximum aggregate value of the transaction:

Edgar Filing: Primerica, Inc. - Form DEF 14A

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. 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

April 5, 2016

To our fellow stockholders:

Fiscal 2015 was a year of significant accomplishment for Primerica. Our Board of Directors continues to work to create stockholder value and achieve success through effective business strategies, performance-aligned compensation programs, and thoughtful risk management. We remain committed to serving middle-income households throughout the United States and Canada, and have created a culture that aligns the needs of our clients, our sales force and our employees. Although this letter highlights a few of the Company's accomplishments, we strongly encourage you to review the entire proxy statement for a more comprehensive discussion of our achievements in fiscal 2015.

### [Financial Accomplishments](#)

We are proud of the results that we delivered in fiscal 2015, including:

Growth in diluted operating income per share of 12.0% compared to fiscal 2014;

Net operating income return on adjusted stockholders' equity (ROAE) of 16.9%;

Return to stockholders in the form of \$200 million in share repurchases; and

Increase in annual stockholder dividends to \$0.64 per share.

In addition, our five-year total stockholder return, including dividends, was 104.6%.

### [Distribution Accomplishments](#)

We experienced our strongest year of distribution growth since becoming a public company in 2010, including that:

Life-licensed sales representatives increased 8.5% to 106,710 at December 31, 2015;

Recruiting of new representatives increased 19.8% to 228,115 compared to 190,439 in fiscal 2014;

New life insurance licenses increased 17.1% to 39,632 compared to 33,832 in fiscal 2014;

Issued term life insurance policies increased 17.7% to 260,059 compared to 220,984 in fiscal 2014;

Term life insurance claims paid to policy beneficiaries of \$1.2 billion;

The size of our mutual fund licensed sales force increased 4.7% to 23,660 compared to 22,600 in fiscal 2014;  
and

Investment and Savings Product sales in fiscal 2015 increased 3.1% despite market volatility.

## Table of Contents

### Chief Executive Officer Transition

In fiscal 2015, the Company elected Mr. Glenn J. Williams as our new Chief Executive Officer; he took the role from our former Co-Chief Executive Officers who had served since 1999. Mr. G. Williams was our former President and he has been with the Company since 1981. We were pleased that the transition was seamless and was well-received by all constituents.

### Continued Alignment of Compensation and Performance

Our compensation philosophy includes a strong commitment to provide compensation programs that link executive pay to company and personal performance. Our Board of Directors spent significant time and resources in 2015 to discuss and review our executive compensation program with independent experts in our continuing effort to achieve an appropriate alignment of compensation with performance.

### Leading Corporate Governance Practices

Complementing our financial and distribution performance is our company's commitment to corporate governance, including:

The implementation in early 2016 of majority voting for directors in uncontested elections;

Annual election of directors;

A significant percentage of diversity among our directors;

An independent Lead Director complemented by a non-executive Chairman of the Board; and

Annual outreach to stockholders that own in the aggregate in excess of 72% of our outstanding common stock.

We strongly encourage all of our stockholders to convey their views and vote promptly. We look forward to seeing you at the Annual Meeting. If you cannot attend in person, then you may listen to a live webcast of the Annual Meeting at our investor relations website, <http://investors.primerica.com>. On behalf of our management and directors, we want to thank you for your continued support of, and confidence in, our company.

Sincerely,

**D. RICHARD WILLIAMS**  
*Non-Executive Chairman of the Board*

**GLENN J. WILLIAMS**  
*Chief Executive Officer*

**Table of Contents**

<b>Date and Time</b>	May 20, 2016, at 10:00 a.m., local time
<b>Place</b>	The Primerica Theater located in Primerica's home office, One Primerica Parkway, Duluth, Georgia 30099
<b>Items of Business</b>	<p>To elect the eleven directors nominated by our Board of Directors and named in the accompanying Proxy Statement (Proposal 1);</p> <p>To re-approve the material terms of performance-based compensation under the Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan (Proposal 2);</p> <p>To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2016 (Proposal 3); and</p> <p>To transact such other business as may properly come before the Annual Meeting and any adjournments thereof.</p>
<b>Record Date</b>	March 23, 2016. Only stockholders of record at the close of business on the record date are entitled to receive notice of, and to vote at, the Annual Meeting.
<b>Proxy Voting</b>	Please vote your shares at your earliest convenience. This will ensure the presence of a quorum at the Annual Meeting. Promptly voting your shares will save the expense and extra work of additional solicitation.
<b>E-Proxy Process</b>	<p>We are taking advantage of the Securities and Exchange Commission rules allowing companies to furnish proxy materials to stockholders over the Internet. We believe that this e-proxy process expedites your receipt of proxy materials, while also lowering the costs and reducing the environmental impact of the Annual Meeting.</p> <p>On or about April 5, 2016, we will mail a Notice of Internet Availability of Proxy Materials to stockholders of our common stock as of March 23, 2016, other than those stockholders who previously requested electronic or paper delivery of communications from us. Please refer to the Notice of Internet Availability of Proxy Materials, proxy materials e-mail or proxy card you received for information on how to vote your shares and to ensure that your shares will be represented and voted at the Annual Meeting even if you cannot attend in person.</p>

**Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Meeting of Stockholders to be Held on May 20, 2016.** The Proxy Statement and the Annual Stockholders Report are available free of charge at [www.proxyvote.com](http://www.proxyvote.com).

Edgar Filing: Primerica, Inc. - Form DEF 14A

By Order of Our Board of Directors,

STACEY K. GEER

*Corporate Secretary*

Duluth, Georgia

April 5, 2016



**Table of Contents**

<u>PROXY SUMMARY</u>	ii
<u>2016 Annual Meeting of Stockholders</u>	ii
<u>Voting Matters and Voting Recommendations</u>	ii
<u>Executive Compensation Matters</u>	ii
<u>How to Cast Your Vote</u>	iv
<u>MATTERS TO BE VOTED ON</u>	1
<u>Proposal 1: Election of Eleven Directors</u>	1
<u>Proposal 2: Re-approval of the Material Terms of Performance-Based Compensation Under the Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan</u>	2
<u>Proposal 3: Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm</u>	10
<u>GOVERNANCE</u>	11
<u>Board Structure</u>	12
<u>Director Independence</u>	13
<u>Board Diversity</u>	15
<u>Director Nomination Process</u>	15
<u>Board Evaluation Process</u>	16
<u>Board's Role in Risk Oversight</u>	16
<u>Communicating with Our Board of Directors</u>	17
<u>Stockholder Engagement</u>	18
<u>Role of Compensation Consultant</u>	18
<u>Code of Conduct</u>	18
<u>BOARD OF DIRECTORS</u>	19
<u>Board Members</u>	19
<u>Director Qualifications</u>	30
<u>Board Meetings</u>	30
<u>Board Committees</u>	30
<u>Director Compensation</u>	32
<u>Other Director Matters</u>	34
<u>EXECUTIVE COMPENSATION</u>	35
<u>Compensation Committee Report</u>	35
<u>Compensation Discussion and Analysis ( CD&amp;A )</u>	35
<u>Compensation Committee Interlocks and Insider Participation</u>	52
<u>Compensation Tables</u>	53
<u>Potential Payments and Other Benefits Upon Termination or Change of Control</u>	62
<u>Employment Agreements with Executive Team Members</u>	64
<u>Transition Agreements with Former Co-Chief Executive Officers</u>	68
<u>AUDIT MATTERS</u>	69
<u>Audit Committee Report</u>	69
<u>Fees and Services of KPMG</u>	71
<u>STOCK OWNERSHIP</u>	72
<u>Ownership of Our Common Stock</u>	72
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	76
<u>RELATED PARTY TRANSACTIONS</u>	77
<u>Policies and Procedures Governing Related Party Transactions</u>	77
<u>Transactions with Citigroup</u>	77
<u>INFORMATION ABOUT VOTING AND THE ANNUAL MEETING</u>	78
<u>OTHER STOCKHOLDER INFORMATION</u>	84
<u>Other Business for Presentation at the Annual Meeting</u>	84
<u>Other Information</u>	84
<u>Stockholder Proposals for Inclusion in Our 2017 Proxy Statement</u>	84
<u>Procedures for Business Matters and Director Nominations for Consideration at the 2017 Annual Meeting of Stockholders</u>	84
<u>Annex A RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES</u>	A-1
<u>Location for the 2016 Annual Meeting of Stockholders</u>	Back Cover



**Table of Contents**

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider, and you should read the entire Proxy Statement carefully before voting.

**2016 Annual Meeting of Stockholders (including any adjournments or postponements thereof, the Annual Meeting )**

Date and Time	May 20, 2016, at 10:00 a.m., local time
Place	The Primerica Theater located in Primerica's home office, One Primerica Parkway, Duluth, Georgia 30099
Record Date	March 23, 2016 (the record date )
Voting	Stockholders as of the record date are entitled to vote. Each share of our common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.
Admission	Attendance at the Annual Meeting will be limited to stockholders of Primerica as of the record date or their authorized representatives.

On or about April 5, 2016, we will mail a Notice of Internet Availability of Proxy Materials to stockholders of our common stock as of the record date, other than those stockholders who previously requested electronic or paper delivery of communications from us.

**Voting Matters and Voting Recommendations**

*See Matters to be Voted On beginning on page 1 for more information.*

<b>Proposal</b>	<b>Board Vote Recommendation</b>
1. Election of eleven directors	FOR each director nominee
2. Re-approval of the material terms of performance-based compensation under the Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan (the Plan )	FOR
3. Ratification of the appointment of KPMG LLP ( KPMG ) as our independent registered public accounting firm for the year ending December 31, 2016 ( fiscal 2016 )	FOR

**Executive Compensation Matters**

*See Executive Compensation beginning on page 35 for more information.*

During the year ended December 31, 2015 ( fiscal 2015 ), Primerica, Inc. (the Company ) underwent a leadership transition. In January 2015, we announced that after 15 years as Co-Chief Executive Officers,

ii Freedom Lives Here

---

**Table of Contents**

PROXY SUMMARY

Messrs. D. Richard Williams and John A. Addison, Jr. would step down from that position on April 1, 2015. We also announced that effective April 1, 2015 Mr. Glenn J. Williams, then our President, would be promoted to Chief Executive Officer, and Mr. Peter W. Schneider, then our Executive Vice President and General Counsel, would be promoted to President. Effective April 1, 2015, Mr. R. Williams was appointed non-executive Chairman of the Board and Mr. Addison was appointed non-executive Chairman of Primerica Distribution, and both continued to serve as members of our Board of Directors (the Board or our Board of Directors ). As described in this proxy statement, these actions impacted fiscal 2015 executive compensation.

The Compensation Committee (the Compensation Committee ) of our Board of Directors structured our executive compensation program to pay for performance and, over the long term, to provide compensation to our executive officers that is market competitive. Further, it is structured so that a meaningful percentage of compensation is tied to the achievement of challenging levels of corporate and personal performance objectives. The Compensation Committee was pleased with management s achievements and the Company s performance in fiscal 2015, particularly the following:

Operating revenues and net operating income in fiscal 2015 improved 5.1% and 4.5%, respectively, compared with the year ended December 31, 2014 ( fiscal 2014 );

Net operating income return on adjusted stockholders equity ( ROAE ) improved to 16.9% for fiscal 2015 compared with 15.3% for fiscal 2014; and

The size of our life-licensed sales force increased 8.5% to 106,710 at December 31, 2015 compared with 98,358 at December 31, 2014. Set forth below is a brief description of our fiscal 2015 executive compensation program.

Compensation for our executive officers includes base salary, annual cash incentive awards and long-term equity awards.

Each of our Executive Team members (identified in Executive Compensation Compensation Discussion and Analysis ( CD&A )) has a maximum permissible award that is equal to a designated percentage of operating income before income taxes.

The Compensation Committee set cash and equity award targets for each Executive Team member at the beginning of 2015.

Annual cash incentive awards were earned based on the Company s achievement of pre-determined performance goals related to operating revenue, net operating income, ROAE and size of life-licensed sales force at year end. As a result of these metrics, our Executive Team members received a corporate performance award equal to 121.9% of the target award.

Long-term equity awards granted to our Executive Team members consisted of restricted stock units ( RSUs ), non-qualified stock options and, for the first time, performance stock units ( PSUs ). These awards were based on personal and team performance. The RSUs and stock options vest in equal installments over three years. The PSUs will be earned based on the Company s ROAE over a three year performance period commencing January 1, 2016 and the executives will receive between 0% and 150% of the awarded shares in early 2019;

## Edgar Filing: Primerica, Inc. - Form DEF 14A

Based on the achievement of personal performance objectives, the Compensation Committee determined to pay each of our Executive Team members 120% of his or her target equity award. Mr. William A. Kelly, who appears in this proxy statement for the first time as a named executive officer, received a payout equal to 120% based on his personal performance and also received a discretionary bonus described under the heading Executive Compensation Fiscal 2015 Executive Compensation ; and

**Table of Contents**

PROXY SUMMARY

Each of our Executive Team members has an employment agreement that provides severance upon a termination of employment without cause or a resignation for good reason.

**How to Cast Your Vote**

*See Information About Voting and the Annual Meeting How Do I Vote? on page 80 for more information.*

Stockholders of record can vote by any of the following methods:

Over the Internet at the web address noted in the Notice of Internet Availability of Proxy Materials, proxy materials e-mail or proxy card that you received;

By telephone through the number noted on your proxy card (if you received a proxy card);

By signing and dating your proxy card (if you received a proxy card) and mailing it in the prepaid and addressed envelope enclosed therewith; or

By attending the Annual Meeting and voting in person.

**Table of Contents****Proposal 1:****Election of Eleven Directors**

*See Board of Directors beginning on page 19 for more information.*

We ask that our stockholders elect the eleven director nominees named below to our Board of Directors to serve a one-year term commencing at the Annual Meeting. Our Board of Directors implemented majority voting in uncontested elections in early 2016. As a result, each director will be elected by a majority of the votes cast, meaning that each director nominee must receive a greater number of shares voted for such director than the shares voted against such director. If an incumbent director does not receive a greater number of shares voted for such director than shares voted against such director, then such director must tender his or her resignation to the Board. In that situation, the Corporate Governance Committee of the Board (the Corporate Governance Committee) would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. Within 90 days from the date the election results are certified, the Board will act on the Corporate Governance Committee's recommendation and will publicly disclose its decision and rationale behind it. In a contested election a circumstance we do not anticipate at the Annual Meeting director nominees are elected by a plurality vote. Any shares that are not voted (whether by abstention or otherwise) will have no impact on the outcome of the vote. The following table provides summary information about each director nominee, all of whom currently serve on our Board.

<b>Name</b>	<b>Age</b>	<b>Occupation</b>	<b>Independent</b>	<b>Date Joined Our Board</b>
John A. Addison, Jr.	58	Non-Executive Chairman of Primerica Distribution	No	October 2009
Joel M. Babbit	62	Co-Founder and Chief Executive Officer, Narrative Content Group, LLC	Yes	August 2011
P. George Benson	69	Former President, The College of Charleston	Yes	April 2010
Gary L. Crittenden	62	Managing Partner and Chairman, HGGC, LLC	Yes	July 2013
Cynthia N. Day	50	President and Chief Executive Officer, Citizens Bancshares Corporation	Yes	January 2014
Mark Mason	46	Chief Financial Officer, Institutional Clients Group, Citigroup Inc.	Yes	March 2010
Robert F. McCullough	73	Private Investor	Yes	March 2010
Beatriz R. Perez	46	Chief Sustainability Officer, The Coca-Cola Company	Yes	May 2014
D. Richard Williams	59	Non-Executive Chairman of the Board	No	October 2009
Glenn J. Williams	56	Chief Executive Officer	No	April 2015
Barbara A. Yastine	56	Co-Chief Executive Officer, Lebenthal Holdings	Yes	December 2010



---

## **Table of Contents**

### MATTERS TO BE VOTED ON

Each director nominee attended at least 75% of the aggregate of all meetings of our Board of Directors and each committee of which he or she was a member during fiscal 2015.

Effective April 1, 2015, our Board of Directors elected Mr. G. Williams to our Board of Directors and promoted him to Chief Executive Officer ( Chief Executive Officer or CEO ). The remaining ten directors have served at least since the 2014 Annual Meeting of Stockholders. Unless otherwise instructed, the members of the Proxy Committee (as defined in Information About Voting and the Annual Meeting ) will vote the proxies held by them **FOR** the election to our Board of Directors of the nominees named above.

**Our Board of Directors unanimously recommends a vote FOR the election to our Board of Directors of the nominees named above.**

### Proposal 2:

#### **Re-approval of the Material Terms of Performance-Based Compensation Under the Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan**

*See Executive Compensation beginning on page 35 for more information.*

### Background

On March 31, 2010, our Board of Directors and our then sole stockholder adopted the original Primerica, Inc. 2010 Omnibus Incentive Plan, which was amended and restated by the Compensation Committee of the Board (the Compensation Committee ) in March 2011 and approved by our stockholders in May 2011. We ask that our stockholders re-approve the material terms of performance-based compensation which may be granted under the Plan. Stockholder approval is necessary so that certain incentive awards granted under the Plan may qualify as exempt performance-based compensation under Section 162(m) of the Internal Revenue Code (the Code ). No amendments or alterations to the Plan are being proposed.

The purposes of the Plan are to align the long-term financial interests of employees, directors, members of our sales force and other service providers of Primerica with those of our stockholders, to attract and retain those individuals by providing compensation opportunities that are competitive with other companies, and to provide incentives to those individuals who contribute significantly to the long-term performance and growth of the Company.

The Plan permits the grant of cash awards as well as stock options, RSUs, restricted stock, deferred stock, stock appreciation rights ( SARs ), performance awards and other stock-based awards (collectively, stock awards ). Individuals eligible to receive awards under the Plan include employees, directors, consultants and advisors of the Company and its subsidiaries as well as independent sales representatives. As of December 31, 2015, there were ten non-employee directors, eight executive officers, approximately 300 employees other than executive officers and approximately 4,000 independent sales representatives who were eligible to receive awards under the Plan.

### Plan Benefits

We expect to issue annual RSUs to our employees, including the executive officers named in this Proxy Statement (referred to as our continuing named executive officers). In addition, members of our Executive Team may receive annual awards of non-qualified stock options and PSUs. Provided that the recipient of the awards remains employed by us, the RSUs and nonqualified stock options typically vest in equal annual installments over three years, subject to accelerated vesting in the event of the participant s involuntary termination of employment other than due to disability or for cause. PSUs are paid out after the end of a three-year performance period.

We expect to continue to offer members of our sales force the opportunity to earn deferred stock awards through our quarterly incentive compensation program. Deferred stock awards



## **Table of Contents**

### MATTERS TO BE VOTED ON

will vest immediately but will generally be subject to sale restrictions that will lapse over three years. All members of the sales force at the level of regional vice president ( RVP ) or above are eligible to participate in the quarterly incentive compensation program.

Future equity grants under the Plan (as well as any performance-based cash bonuses granted under the Plan) will be made to eligible participants (including our continuing named executive officers and other employees, directors, consultants, advisors and members of our sales force) at the discretion of the Compensation Committee and, accordingly, are not yet determinable. In addition, benefits under the Plan will depend on a number of factors, including the fair market value of the Company's common stock on future dates. Consequently, it is not possible to determine the benefits that might be received by participants receiving discretionary cash awards or equity grants under the Plan. The Company is not obligated to make any future grants of awards under the Plan.

### **Performance Criteria**

Awards granted under the Plan may be subject to specified performance criteria (the Performance Criteria ), which are based on the attainment by the Company, or any subsidiary or business unit of the Company, of performance measures pre-established by the Compensation Committee in its sole discretion, based on one or more of the following:

Return on total stockholder equity;

Earnings per share of our common stock;

Net income (before or after taxes);

Earnings before any or all of interest, taxes, minority interest, depreciation and amortization;

Sales or revenues;

Return on assets, capital or investment;

Market share;

Cost reduction goals;

Implementation or completion of critical projects or processes;

Cash flow;

Gross or net profit margin;

Achievement of strategic goals;

Growth and/or performance of the Company's sales force;

Operating service levels; and

Any combination of, or a specified increase in, any of the foregoing.

The Performance Criteria may be based upon the attainment of specified levels of performance under one or more of the measures described above relative to the performance of other entities. To the extent permitted under Section 162(m) of the Code (including, without limitation, compliance with any requirements for stockholder approval) or to the extent that an award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Compensation Committee in its sole discretion may designate additional business criteria on which the Performance Criteria may be based or adjust, modify or amend the aforementioned business criteria. Performance Criteria may include a threshold level of performance below which no award will be earned, a level of performance at which the target amount of an award will be earned and a level of performance at which the maximum amount of the award will be earned. The Compensation Committee, in its sole discretion, shall make equitable adjustments to the Performance Criteria in recognition of unusual or non-recurring events affecting the Company, any subsidiary of the Company or the financial statements of the Company or any such subsidiary, in response to changes in applicable laws or regulations, including changes in generally accepted accounting principles, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles, as applicable.

## **Table of Contents**

### MATTERS TO BE VOTED ON

*A summary of the principal features of the Plan is provided below, but is qualified in its entirety by reference to the full text of the Plan that is included as Exhibit 10.22 to our Annual Report on Form 10-K for the year ended December 31, 2011.*

### **Shares Available for Issuance**

There are 10,800,000 shares reserved for issuance under the Plan. As of February 29, 2016, 1,157,690 shares were available for future grant under the Plan. If any stock award granted under the Plan expires or is cancelled, forfeited or otherwise terminated, without having been delivered in full, or if any stock award is reacquired or repurchased by the Company prior to vesting, the shares covered by such stock award would again be available for use under the Plan.

### **Administration and Eligibility**

The Plan is administered by our Compensation Committee. To the extent required for employees subject to Section 162(m) of the Code, the plan administrator consists of an independent committee of the Board that complies with the applicable requirements of Section 162(m) of the Code and Section 16 of the Securities Exchange Act of 1934, as amended (the Exchange Act).

The Compensation Committee determines which employees, directors, consultants, advisors, and members of our sales force are eligible to receive awards under the Plan. In addition, the Compensation Committee interprets the Plan and may adopt any administrative rules, regulations, procedures and guidelines governing the Plan or any awards granted under the Plan as it deems appropriate.

### **Award Limits**

In any calendar year, no more than one million shares may be granted in stock awards to any one participant.

### **Types of Awards**

All of the awards described below are subject to the conditions, limitations, restrictions, vesting and forfeiture provisions determined by the Compensation Committee, in its sole discretion, subject to such limitations as provided in the Plan. The following types of awards may be made under the Plan.

*Restricted Stock.* A restricted stock award is an award of outstanding shares of the Company's common stock that does not vest until after a specified period of time, or satisfaction of other vesting conditions as determined by the Compensation Committee, and which may be forfeited if conditions to vesting are not met. Participants generally receive dividend payments on the shares subject to their award during the vesting period (unless the awards are subject to performance-vesting criteria) and are also generally entitled to indicate a voting preference with respect to the shares underlying their awards.

*Deferred Stock.* A deferred stock award is an unfunded, unsecured promise to deliver shares of the Company's common stock to the participant in the future, if the participant satisfies the conditions to vesting, as determined by the Compensation Committee. Participants do not have voting rights, but generally receive dividend equivalent payments during the vesting period (unless the awards are subject to performance-vesting criteria).

*Stock Units.* A stock unit is an award denominated in shares of the Company's common stock that may be settled either in shares or cash, subject to terms and conditions determined by the Compensation Committee.

*Nonqualified Stock Options.* A nonqualified stock option is a stock option that does not meet the requirements of Section 422 of the Code as described below or with respect to which the grant agreement provides that the stock option is not to be treated as an incentive stock option. A stock option grants a participant the right to purchase, upon satisfaction of the applicable conditions relating to vesting and exercisability determined by the Compensation Committee, a specified number of shares of the Company's common stock at a stated exercise price for a specified period of time.

4 Freedom Lives Here

---

## **Table of Contents**

### MATTERS TO BE VOTED ON

*Incentive Stock Options.* An incentive stock option is a stock option that meets the requirements of Section 422 of the Code, which include (among other requirements) an exercise price of no less than 100% of fair market value of the Company's common stock on the grant date, a term of no more than 10 years, and the grant is from a plan that has been approved by stockholders. A stock option will not constitute an incentive stock option if its terms provide that it will not be treated as an incentive stock option.

*Stock Appreciation Rights.* A SAR entitles the participant to receive an amount equal to the difference between the fair market value of a share of the Company's common stock on the exercise date and the exercise price of the SAR (which may not be less than 100% of the fair market value of a share of the Company's common stock on the grant date), multiplied by the number of shares subject to the SAR. A SAR may be granted in substitution for a previously granted option, and if so, the exercise price of any such SAR may not be less than 100% of the fair market value of a share of the Company's common stock as determined at the time the option for which it is being substituted was granted. Payment to a participant upon the exercise of a SAR may be in cash or shares of the Company's common stock.

*Stock Payments.* Subject to limits in the Plan, the Compensation Committee may issue unrestricted shares of the Company's common stock, alone or in tandem with other awards, in such amounts and subject to such terms and conditions as the Committee determines. A stock payment may be granted as, or in payment of, a bonus (including, without limitation, any compensation that is intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code), or to provide incentives or recognize special achievements or contributions.

*Cash Awards.* The Compensation Committee may issue awards that are payable in cash, as deemed by the Committee to be consistent with the purposes of the Plan. These cash awards will be subject to the terms, conditions, restrictions and limitations determined by the Compensation Committee from time to time. The payment of cash awards may be subject to the achievement of specified performance criteria. The Plan provides that the maximum amount of a cash award that may be granted during any annual performance period to any employee subject to Section 162(m) of the Code may not exceed \$10 million.

### **Reimbursement or Cancellation of Certain Awards**

Awards granted under the Plan may be subject to forfeiture if, after a termination of employment or service, the participant engages in certain activities that are materially injurious to or in competition with Primerica. Certain awards may be subject to forfeiture or repayment if they were based on performance metrics that are later determined to be materially inaccurate. In addition, the Compensation Committee may require the reimbursement of cash or forfeiture of equity awards if it determines that an award that was granted, vested or paid based on the achievement of performance criteria would have not been granted, vested or paid absent fraud or misconduct, an event giving rise to a restatement of the Company's financial statements or a significant write-off not in the ordinary course affecting the Company's financial statements.

### **Deferrals**

The Compensation Committee may postpone the exercise of awards, or the issuance or delivery of shares or cash pursuant to any award for such periods and upon such terms and conditions as such Committee determines in its sole discretion. In addition, the Compensation Committee may determine that all or a portion of a payment to a participant, whether in cash and/or shares, will be deferred in order to prevent Primerica or any subsidiary from being denied a federal income tax deduction with respect to an award granted under the Plan. Notwithstanding this authority, the Compensation Committee will not postpone the

## **Table of Contents**

### MATTERS TO BE VOTED ON

exercise or delivery of shares or cash payable in respect of awards constituting deferred compensation under Section 409A of the Code, where such postponement would cause the imposition of additional taxes under Section 409A of the Code. Section 409A of the Code provides rules that govern the manner in which various types of compensation may be deferred and imposes taxes upon compensation that is improperly deferred or accelerated.

## **Adjustments**

The Plan provides that the Compensation Committee will make appropriate equitable adjustments to the maximum number of shares available for issuance under the Plan and other limits stated in the Plan, the number of shares covered by outstanding awards, and the exercise prices and performance measures applicable to outstanding awards. These changes will be made to reflect changes in our capital structure (including a change in the number of shares of the Company's outstanding common stock) on account of any stock dividend, stock split, reverse stock split or any similar equity restructuring, or any combination or exchange of equity securities, merger, consolidation, recapitalization, reorganization or similar event, or to the extent necessary to prevent the enlargement or diminution of participants' rights by reason of any such transaction or event or any extraordinary dividend, divestiture or other distribution (other than ordinary cash dividends) of assets to stockholders. These adjustments will be made only to the extent they conform to the requirements of applicable provisions of the Code and other applicable laws and regulations. The Compensation Committee, in its sole discretion, may decline to adjust an award if it determines that the adjustment would violate applicable law or result in adverse tax consequences to the participant or Primerica.

## **Change of Control**

The Plan provides that, unless otherwise set forth in a participant's award agreement or employment agreement, all awards that are assumed or substituted in connection with a Change of Control transaction (as defined in the Plan) will become fully vested, exercisable and free of restrictions, and any performance conditions on those awards will be deemed to be achieved if the participant's employment or service is terminated by the Company without Cause (as defined in the Plan) within 24 months following the Change of Control. In addition, the Plan provides that, unless otherwise set forth in a participant's award agreement, all awards that are not assumed or substituted in connection with the Change of Control transaction will become fully vested, exercisable and free of restrictions and any performance conditions on those awards will be deemed to be achieved immediately upon the occurrence of the Change of Control transaction.

In addition, in the event of a Change of Control transaction, the Compensation Committee may, in its sole discretion so long as doing so would not result in adverse tax consequences under Section 409A of the Code, provide that each award will, immediately upon the occurrence of the Change of Control, be cancelled in exchange for a payment in an amount equal to the excess of the consideration paid per share of the Company's common stock in the Change of Control over the exercise or purchase price (if any) per share of the Company's common stock subject to the award, multiplied by the number of shares of the Company's common stock subject to the award.

## **Amendment and Termination**

The Plan may be further amended or terminated by the Board at any time, but no amendment may be made without stockholder approval if it would materially increase the number of shares available under the Plan, materially expand the types of awards available under the Plan or the class of persons eligible to participate in the Plan, materially extend the term of the Plan, materially change the method of determining the exercise price of an option or SAR granted under the Plan, delete or limit the prohibition against repricing, or otherwise require approval



**Table of Contents**

MATTERS TO BE VOTED ON

by stockholders in order to comply with applicable law or the rules of the New York Stock Exchange ( NYSE ). Notwithstanding the foregoing, with respect to awards subject to Section 409A of the Code, any termination, suspension or amendment of the Plan must conform to the requirements of Section 409A. Except as may be required to comply with applicable tax law, no termination, suspension or amendment of the Plan may adversely affect the right of any participant with respect to a previously granted award without the participant s written consent.

**United States Federal Income Tax Consequences of Plan Awards**

The following is a brief summary of the principal United States federal income tax consequences of transactions under the Plan, based on current United States federal income tax laws. This summary is not intended to be exhaustive, does not constitute tax advice and, among other things, does not describe state, local or foreign tax consequences, which may be substantially different.

*Restricted Stock.* A participant generally will not be taxed at the time of the grant of the restricted stock award but will recognize taxable income when the award vests or otherwise is no longer subject to a substantial risk of forfeiture. The amount of taxable income will be the fair market value of the shares at that time.

Employees may elect to be taxed at the time of grant by making an election under Section 83(b) of the Code within 30 days of the award date. If a restricted stock award subject to the Section 83(b) election is subsequently canceled, no deduction will be allowed for the amount previously recognized as income, and no tax previously paid will be refunded. Unless a participant makes a Section 83(b) election, dividends paid to a participant on shares of an unvested restricted stock award will be taxable to the participant as ordinary income. If the participant made a Section 83(b) election, the dividends will be taxable to the participant as dividend income.

Primerica will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant. Unless a participant has made a Section 83(b) election, Primerica will also be entitled to a deduction, for federal income tax purposes, for dividends paid on unvested restricted stock awards.

*Deferred Stock.* A participant will generally not recognize taxable income on a deferred stock award until shares subject to the award are distributed. Upon distribution, the fair market value of the shares of the Company s common stock will be recognized as ordinary income. Any dividend equivalents paid on unvested deferred stock awards are taxable as ordinary income when paid to the participant.

Primerica will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant. Primerica will also be entitled to a deduction, for federal income tax purposes, on any dividend equivalent payments made to the participant.

*Stock Units.* Awards of stock units are treated, for federal income tax purposes, in substantially the same manner as deferred stock awards.

*Nonqualified Stock Options.* Generally, a participant will not recognize taxable income on the grant or vesting of a nonqualified stock option. Upon the exercise of a nonqualified stock option, a participant will recognize ordinary income in an amount equal to the difference between the fair market value of the Company s common stock received on the date of exercise and the option cost (number of shares exercised multiplied by the exercise price per share). Primerica will ordinarily be entitled to a deduction on the exercise date equal to the ordinary income recognized by the participant upon exercise.

*Incentive Stock Options.* No taxable income is recognized by a participant on the grant or vesting of an incentive stock option. If a participant exercises an incentive stock option in accordance with its terms and does not dispose of the shares acquired within two years after the

**Table of Contents**

MATTERS TO BE VOTED ON

date of the grant of the incentive stock option or within one year after the date of exercise, the participant will be entitled to treat any gain related to the exercise of the incentive stock option as capital gain (instead of ordinary income). In this case, Primerica will not be entitled to a deduction by reason of the grant or exercise of the incentive stock option. However, the excess of the fair market value over the exercise price of the shares acquired is an item of adjustment in computing alternative minimum tax of the participant. If a participant holds the shares acquired for at least one year from the exercise date and does not sell or otherwise dispose of the shares for at least two years from the grant date, the participant's gain or loss upon a subsequent sale will be long-term capital gain or loss equal to the difference between the amount realized on the sale and the participant's basis in the shares acquired.

If a participant sells or otherwise disposes of the shares acquired without satisfying the required minimum holding period, such disqualifying disposition will give rise to ordinary income equal to the excess of the fair market value of the shares acquired on the exercise date (or, if less, the amount realized upon disqualifying disposition) over the participant's tax basis in the shares acquired. Primerica will ordinarily be entitled to a deduction equal to the amount of the ordinary income resulting from a disqualifying disposition.

*Stock Appreciation Rights.* Generally, a participant will not recognize taxable income upon the grant or vesting of a SAR, but will recognize ordinary income upon the exercise of a SAR in an amount equal to the cash amount received upon exercise (if the SAR is cash-settled) or the difference between the fair market value of the Company's common stock received from the exercise of the SAR and the amount, if any, paid by the participant in connection with the exercise of the SAR. The participant will recognize ordinary income upon the exercise of a SAR regardless of whether the shares of the Company's common stock acquired upon the exercise of the SAR are subject to further restrictions on sale or transferability. The participant's basis in the shares will be equal to the ordinary income attributable to the exercise and the amount, if any, paid in connection with the exercise of the SAR. The participant's holding period for shares acquired pursuant to the exercise of a SAR begins on the exercise date. Upon the exercise of a SAR, Primerica will ordinarily be entitled to a deduction in the amount of the ordinary income recognized by the participant.

*Stock Payments.* A participant will generally recognize taxable income on the grant of unrestricted stock in an amount equal to the fair market value of the shares on the grant date. Primerica will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant.

*Cash Awards.* A participant will generally recognize taxable income upon the payment of a cash award, in an amount equal to the amount of the cash received. Primerica will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant.

*Withholding.* To the extent required by law, Primerica will withhold from any amount paid in settlement of an award amounts of withholding and other taxes due or take other action as Primerica deems advisable to enable Primerica and the participant to satisfy withholding and tax obligations related to any awards.

**Table of Contents**

MATTERS TO BE VOTED ON

**Securities Authorized for Issuance under Equity Compensation Plans**

The following table sets forth certain information relating to our equity compensation plans at December 31, 2015.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
<b>Equity compensation plans approved by stockholders:</b>			
Primerica, Inc. Amended and Restated 2010 Omnibus Incentive Plan	1,352,595 <sup>(1)</sup>	\$ 41.28 <sup>(2)</sup>	1,469,943 <sup>(3)</sup>
Primerica, Inc. Stock Purchase Plan for Agents and Employees			2,048,300 <sup>(4)</sup>
Total	1,352,595	\$ 41.28	3,518,243
<b>Equity compensation plans not approved by stockholders</b>	n/a	n/a	n/a

(1) Consists of 1,149,464 and 203,131 shares to be issued in connection with outstanding RSUs and stock options, respectively.

(2) Represents the weighted average exercise price of stock options outstanding.

(3) The number of shares available for future issuance is 10,800,000 less the cumulative number of awards granted under the plan plus the cumulative number of awards cancelled under the plan.

(4) Represents shares of our common stock which have already been issued and are outstanding. They are available to be purchased by employees and agents in the open market under the plan. The number of outstanding shares available to be purchased under the plan is 2,500,000 less the cumulative number of shares purchased to date under the plan.

**Our Board of Directors unanimously recommends a vote FOR the re-approval of the material terms of performance-based compensation under the Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan.**

**Table of Contents**

MATTERS TO BE VOTED ON

**Proposal 3:**

**Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm**

*See Audit Matters beginning on page 69 for more information.*

We ask that our stockholders ratify the selection of KPMG as our independent registered public accounting firm for fiscal 2016.

The Audit Committee of our Board (the Audit Committee) has authority to retain and terminate the Company's independent registered public accounting firm. The Audit Committee has appointed KPMG as our independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for fiscal 2016, as well as the Company's internal control over financial reporting. Although stockholder ratification of the appointment of KPMG is not required, our Board of Directors believes that submitting the appointment to our stockholders for ratification is a matter of good corporate governance. If our stockholders do not ratify the appointment of KPMG, then the Audit Committee will reconsider the appointment. We paid KPMG an aggregate of \$2.6 million in fiscal 2015 and \$2.7 million in fiscal 2014.

One or more representatives of KPMG are expected to be present at the Annual Meeting. The representatives will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate stockholder questions.

**Our Board of Directors unanimously recommends a vote FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm.**

10 Freedom Lives Here

**Table of Contents**

Our Board oversees the business and affairs of the Company, and our directors believe that good corporate governance is a critical factor in our continued success and also aligns management and stockholder interests. Through the corporate governance page of our investor relations website at <http://investors.primerica.com>, our stockholders have access to key governing documents such as our Code of Conduct, Corporate Governance Guidelines and charters of each committee of the Board.

In late fiscal 2015, several stockholders suggested that the Company consider changing the director election voting standard from plurality voting to majority voting in uncontested director elections. After considering the issue and based on the recommendation of the Corporate Governance Committee, the Board amended our Amended and Restated By-Laws effective February 24, 2016 to provide that director nominees are elected using a majority voting standard in uncontested director elections.

The highlights of our corporate governance program are set forth below:

**Board Structure**

72.7% of the Board Consists of Independent Directors

Independent Lead Director of the Board

Separate Non-executive Chairman of the Board and CEO roles

Independent Audit, Compensation and Corporate Governance Committees

Regular Executive Sessions of Independent Directors

Annual Board and Committee Self-Assessments

Significant Number of Directors that Demonstrate Racial and Gender Diversity

**Stockholder Rights**

Annual Election of Directors

Majority Voting for Directors in Uncontested Elections

No Poison Pill in Effect

Annual Stockholder Engagement to Discuss Corporate Governance and Executive Compensation

Multiple Avenues for Stockholders to Communicate with the Board

**Other Highlights**

Stock Ownership Guidelines

Pay for Performance Philosophy

Policies Prohibiting Hedging, Pledging and Short Sales

No Excise Tax Gross-Ups

Primerica 2016 Proxy Statement

11

**Table of Contents**

GOVERNANCE

**Board Structure**

Our Board currently consists of eleven directors. The Company’s governance documents provide our Board with flexibility to select the appropriate leadership structure for the Company. Currently, the Company has a non-executive Chairman of the Board and a Lead Director. Our Board believes that this structure is the most appropriate leadership structure for the Company at this time and is in the best interests of our stockholders because it provides decisive and effective leadership and, when combined with the Company’s other governance policies and procedures, provides appropriate opportunities for oversight, discussion and evaluation of decisions and direction by our Board.

Mr. R. Williams has served as non-executive Chairman of the Board since April 2015. He previously served as Chairman of the Board and Co-Chief Executive Officer. Mr. G. Williams has served as Chief Executive Officer since April 2015. He previously served as President since 2005. Mr. Benson, one of our independent directors and Chairman of the Corporate Governance Committee, has served as the Lead Director of our Board since February 2014 and joined our Board in April 2010. As the primary interface between management and our independent directors, the Lead Director provides a valuable supplement to the non-executive Chairman and the Chief Executive Officer roles and serves as a key contact for the non-employee directors, thereby enhancing our Board’s independence from management. The responsibilities of our Chairman of the Board and our Lead Director are set forth below.

**Duties and Responsibilities of Chairman of the Board**

- Preside over Board meetings and meetings of non-employee directors
- Call special meetings of our Board
- Approve agendas for Board meetings
- Review advance copies of Board meeting materials
- Preside over stockholder meetings
- Facilitate and participate in formal and informal communications with and among directors
- Review interested party communications directed to our Board and take appropriate action

**Duties and Responsibilities of Lead Director**

- Preside at all Board meetings at which the Chairman of the Board is not present
- Call meetings of independent directors and set the agenda for such meetings
- Review Board meeting agendas, and provide input to the Chairman of the Board
- Preside at all meetings of independent directors and at all executive sessions of independent directors
- Communicate with management on behalf of the independent directors when appropriate
- Liaison between the Chairman of the Board, the CEO and members of the Board on sensitive issues
- Lead the annual Board self-assessment





## **Table of Contents**

### GOVERNANCE

All directors play an active role in overseeing the Company's business both at our Board and committee levels. In addition, directors have full and free access to members of management, and our Board and each committee has authority to retain independent financial, legal or other advisors as they deem necessary without consulting, or obtaining the approval of, any member of management. Our Board holds separate executive sessions of its non-employee directors and of its independent directors at least annually.

## **Director Independence**

### ***Independence Determinations***

Mr. R. Williams, Chairman of the Board, and Mr. Addison, Chairman of Primerica Distribution, are not independent because they were employed by the Company within the past three years. Mr. G. Williams, Chief Executive Officer, is not independent because he is a member of management and an employee of the Company.

Our Board annually assesses the outside affiliations of each director to determine if any of these affiliations could cause a potential conflict of interest or could interfere with the independence of the director. Based on information furnished by all directors regarding their relationships with Primerica and its subsidiaries and research conducted by management and discussed with our Board with respect to outside affiliations, our Board has determined that none of the outside directors who served on our Board during fiscal 2015 has or had a material relationship with Primerica other than through his or her role as director, and, except as set forth above, each is independent because he or she satisfies:

The categorical standards set forth below;

The independence standards set forth in Rule 10A-3 of the Exchange Act; and

The criteria for independence set forth in Section 303A.02(b) of the NYSE Listed Company Manual.

A determination of independence under these standards does not mean that a director is disinterested under Section 144 of the Delaware General Corporation Law. Each director, relevant committee and our full Board may also consider whether any director is interested in any transaction brought before our Board or any of its committees for consideration.

### ***Independence of Committee Members***

Throughout fiscal 2015, the Audit, Compensation and Corporate Governance Committees have been fully independent in accordance with the NYSE Listed Company Manual and our Board's director independence standards described above. In fiscal 2015, no member of these committees received any compensation from Primerica other than directors' fees, and no member of the Audit Committee was or is an affiliated person of Primerica (other than by virtue of his or her directorship). Members of the Audit Committee meet the additional standards of audit committee members of publicly traded companies required by the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). Members of the Compensation Committee meet the additional standards applicable to outside directors under Section 162(m) of the Code, and qualify as non-employee directors as defined in Rule 16b-3 under the Exchange Act.

### ***Categorical Standards of Independence***

The Company has established categorical standards of independence for our Board, which are described in our Corporate Governance Guidelines. To be considered independent for purposes of the director qualification standards, (i) the director must meet independence standards under the NYSE Listed Company Manual and (ii) our Board must affirmatively determine that the director otherwise has no material relationship with the Company, directly or as an officer, shareowner or partner of an organization that has a relationship with the Company.



---

**Table of Contents**

GOVERNANCE

To assist it in determining each director's independence in accordance with the NYSE's rules, our Board has established guidelines, which provide that a director will be deemed independent unless:

- (a) (1) the director is an employee, or an immediate family member of the director is an executive officer, of the Company or any of its affiliates, or (2) the director was an employee, or the director's immediate family member was an executive officer, of the Company or any of its affiliates during the immediately preceding three years;
- (b) (1) the director presently receives during any consecutive 12-month period more than \$120,000 in direct compensation from the Company or any of its affiliates, or an immediate family member of the director presently receives during any consecutive 12-month period more than \$120,000 in direct compensation for services as an executive officer of the Company or any of its affiliates, excluding director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), or (2) the director or the director's immediate family member had received such compensation during any consecutive 12-month period within the immediately preceding three years;
- (c) (1) the director is a current partner or employee of a firm that is the Company's internal or independent auditor, (2) an immediate family member of the director is a current partner of such a firm, (3) an immediate family member of the director is a current employee of such a firm and personally works on the Company's audit, or (4) the director or an immediate family member of the director was, within the last three years, a partner or employee of such a firm and personally worked on the Company's audit within that time period;
- (d) (1) an executive officer of the Company serves on the board of directors of a company that, at the same time, employs the director, or an immediate family member of the director, as an executive officer, or (2) Primerica and the company of which the director or his or her immediate family member is an executive officer had such relationship within the immediately preceding three years;
- (e) (1) the director is a current executive officer or employee, or an immediate family member of the director is a current executive officer, of another company that makes payments to or receives payments from the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or two percent (2%) of such other company's consolidated gross revenues, or (2) Primerica and the company of which the director is an executive officer or employee or his or her immediate family member is an executive officer had such relationship within the immediately preceding three years;
- (f) the director serves as an executive officer, director or trustee, or his or her immediate family member who shares the director's household serves as an executive officer, director or trustee, of a charitable organization, and within the last three years, discretionary charitable contributions by the Company to such organization, in the aggregate in any one year, exceed the greater of \$1 million or 2% of that organization's total annual charitable receipts;
- (g) the director has any interest in an investment that the director jointly acquired in conjunction with the Company;
- (h) the director has, or his or her immediate family member has, a personal services contract with the Company; or
- (i) the director is affiliated with, or his or her immediate family member is affiliated with, a paid advisor or consultant to the Company.



## **Table of Contents**

### GOVERNANCE

#### **Board Diversity**

Diversity is very important to us. We strive to offer an inclusive business environment that offers and benefits from diversity of people, thought and experience. This also holds true for our Board. Although we have no formal written policy, pursuant to our Corporate Governance Guidelines our Board annually reviews the appropriate skills and characteristics of its members in light of the current composition of our Board, and diversity is one of the factors used in this review. In addition, in identifying a director candidate, the Corporate Governance Committee and our Board consider and discuss diversity, among the other factors discussed under Director Nomination Process, with a view toward the role and needs of our Board as a whole. The Corporate Governance Committee and our Board generally view diversity expansively to include, without limitation, concepts such as race, gender, national origin, differences of viewpoint and perspective, professional experience, education, skill and other qualities or attributes that together contribute to the successful functioning of our Board.

#### **Director Nomination Process**

In discharging its responsibility for director nominations, the Corporate Governance Committee receives input from the Chairman of the Board, other directors and, if applicable, the Corporate Governance Committee's independent professional search firm. It also considers and evaluates any candidates recommended by our stockholders, as described below.

Our Board has determined that its members should bring to the Company a broad range of experience, knowledge and judgment. A successful board candidate must be prepared to represent the interests of the Company and all its stockholders, not the interests of particular constituencies. The Corporate Governance Committee and our Board have not established specific minimum age, education, years of business experience or specific types of skills for potential candidates. The factors considered by the Corporate Governance Committee and our Board in their review of potential candidates include whether:

The candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards;

The candidate has had business, governmental, non-profit or professional experience at the Chairman, Chief Executive Officer, Chief Operating Officer or equivalent policy-making and operational level of a large organization that indicates that the candidate will be able to make a meaningful and immediate contribution to our Board;

The candidate has special skills, expertise and background that would complement the attributes of the existing directors, taking into consideration the diverse communities and geographies in which the Company operates;

The candidate has financial expertise;

The candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of our stockholders and our other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency;

The candidate possesses a willingness to challenge management while working constructively as part of a team in an environment of collegiality and trust; and

The candidate will be able to devote sufficient time and energy to the performance of his or her duties as a director.

## Edgar Filing: Primerica, Inc. - Form DEF 14A

The Corporate Governance Committee carefully reviews all current directors and director candidates in light of these factors based on the context of the current and anticipated composition of our Board, the current and anticipated operating requirements of the Company and the long-term interests of our stockholders. In reviewing a candidate, the

---

## **Table of Contents**

### GOVERNANCE

Corporate Governance Committee considers the integrity of the candidate and whether the candidate would be independent as defined in the Corporate Governance Guidelines and the NYSE Listed Company Manual. The Corporate Governance Committee expects a high level of involvement from our directors and, if applicable, reviews a candidate's service on other boards to assess whether the candidate has sufficient time to devote to Board duties.

The Corporate Governance Committee decides whether to further evaluate each candidate, which would include a thorough reference check, interviews, and discussions about the candidate's qualifications, availability and commitment. The Corporate Governance Committee reviews the results of all interviews and makes a recommendation to our Board with respect to the election of a potential candidate to our Board. Our Board expects that all candidates recommended to our Board will have received the approval of all members of the Corporate Governance Committee.

Any stockholder who wishes to have the Corporate Governance Committee consider a candidate for election to our Board is required to give written notice of his or her intention to make such a nomination. For a description of the procedures required to be followed for a stockholder to nominate a director, see [Other Stockholder Information](#) [Procedures for Business Matters and Director Nominations for Consideration at the 2017 Annual Meeting of Stockholders](#) [Notice Requirements for Nomination of Directors](#). A proposed nomination that does not comply with these requirements will not be considered by the Corporate Governance Committee. There are no differences in the manner in which the Corporate Governance Committee considers or evaluates director candidates it identifies and director candidates who are recommended by our stockholders.

### **Board Evaluation Process**

The Company's Corporate Governance Guidelines require that the Corporate Governance Committee conduct an annual review of Board performance and further requires that each standing committee conduct an annual evaluation of its own performance. To facilitate those evaluations, each independent committee prepares a written self-assessment questionnaire that is completed by the members of the committee. In addition, the Corporate Governance Committee prepares a written Board-assessment questionnaire that is completed by all of the members the Board. The questions are designed to gather suggestions to improve board and committee effectiveness and solicit additional feedback. The Board self-assessment is conducted at a different time during the year than the committee self-assessments, so that the directors have more time to reflect on the functioning of the Board as a whole. The Corporate Secretary compiles the results of each self-assessment and shares those results with all directors. The committee chairs lead discussions during their committee meetings of the results of the self-assessments, highlighting areas that require additional attention. The Corporate Governance Committee discusses the Board self-assessment and the Lead Director leads a discussion of the self-assessment among the full Board. Management then discusses with the Lead Director specific items that require additional attention and a plan is developed to address the key takeaways.

### **Board's Role in Risk Oversight**

Our Board is ultimately responsible for the establishment of our risk management framework, and responsibility for significant risk management policies resides with the Audit Committee under powers delegated by our Board. Our Board believes that having a former Co-Chief Executive Officer serve as non-executive Chairman of the Board provides our Board with a unique perspective on risk oversight. Our senior executives are responsible for collaborating with the Audit Committee to provide oversight with respect to the risk management process, as well as to prioritize and validate key risks. Management is responsible for implementing the Board-approved risk management strategy and developing policies,

**Table of Contents**

GOVERNANCE

controls, processes and procedures to identify and manage risks. Management periodically reports to the Audit Committee on the effectiveness of its management of key business risks.

Each Board committee is responsible for monitoring and reporting on the material risks associated with its respective subject matter areas:

<b>Board Committee</b>	<b>Risk Management Oversight</b>
Audit Committee	Responsible for the oversight of our accounting and financial reporting processes, the integrity of our financial statements, and potential conflicts of interest
Compensation Committee	Responsible for the oversight of risks associated with our compensation practices
Corporate Governance Committee	Responsible for the oversight of our corporate governance risks, including director independence and succession planning

In terms of overseeing the broader company-wide risk management program, the Audit Committee is responsible for ensuring that all risk areas are being monitored by senior management and that all risk management matters are being reported to our Board or appropriate Board committee and are being addressed as needed. Additionally, our Board collectively reviews, and is responsible for, risks associated with our strategic plans.

In fiscal 2015, management’s Business Risk and Control Committee regularly monitored the major risks facing the Company and presented a risk profile and quarterly status updates to the Audit Committee. The Company’s General Counsel regularly briefs our Board, and our Chief Internal Auditor regularly briefs, and meets in Executive Session with, the Audit Committee. The Audit Committee uses the results of its discussions with the Company’s Chief Internal Auditor to monitor the audit schedule for the internal audit group.

**Communicating with Our Board of Directors**

Our stockholders and other interested persons may communicate with our directors by addressing such communications to them in care of the Company’s Corporate Secretary, at the Company’s principal executive office located at One Primerica Parkway, Duluth, Georgia 30099. Our stockholders and other interested persons may also communicate with our directors by sending an e-mail message as follows:

With our Board, to *boardofdirectors@primerica.com*;

With the Audit Committee, to *auditcommittee@primerica.com*;

With the non-employee directors, to *nonemployeedirectors@primerica.com*; or

With the Chairman of the Board, to *chairman@primerica.com*.

In accordance with a policy approved by the Audit Committee, the Company’s General Counsel (or, solely with respect to matters that are not reasonably likely to have legal implications for the Company, the Company’s Chief Compliance and Risk Officer) is required to:

Report communications of concerns relating to accounting, finance, internal controls or auditing matters to the Audit Committee;



## Edgar Filing: Primerica, Inc. - Form DEF 14A

Investigate communications of concerns relating to conduct of employees, including concerns related to internal policies;

Report communications of concerns relating to non-compliant behavior, such as allegations of violations of the Company's Code of Conduct or antitrust violations, to the Audit Committee; and

Determine whether to maintain or discard certain communications received.

## **Table of Contents**

### GOVERNANCE

If the correspondence is specifically marked as a private communication to our Board (or a specific member or members of our Board), then the Corporate Secretary will not open or read the correspondence, and will forward it to the addressee. These procedures may change from time to time, and you are encouraged to visit our investor relations website for the most current means of communicating with our directors.

### **Stockholder Engagement**

Consistent with the process we followed in 2013 and 2014, late in fiscal 2015, we invited the Company's top stockholders, which together represented over 72% of our outstanding shares, to speak with management about topics important to them. We were pleased with the stockholder feedback, which indicated that our top stockholders are generally satisfied with the Company's corporate governance and executive compensation practices. This feedback was reviewed by our Board of Directors and the relevant committees and our Board has made certain changes to disclosure as well as company practices in response to these discussions. Specifically, in this Proxy Statement we have disclosed the target amounts for each corporate metric pursuant to which our executives can receive awards under our short-term incentive plan and the Compensation Committee has revised our executive compensation program for fiscal 2016 as described below under the heading "Executive Compensation - Compensation Discussion and Analysis ( CD&A ) - Fiscal 2016 Executive Compensation." In addition, in early 2016 our Board of Directors implemented majority voting in uncontested elections.

### **Role of Compensation Consultant**

The Compensation Committee retained Pearl Meyer & Partners ( Pearl Meyer ) as its independent consultant for fiscal 2015 and determined that the Company would not retain Pearl Meyer for any projects without the prior consideration and consent of the Compensation Committee. Pearl Meyer's responsibilities for fiscal 2015 included:

Reviewing drafts of meeting agendas, materials, and minutes, as requested;

Reviewing major management proposals;

Bringing any concerns or issues to the attention of the Compensation Committee Chair;

Evaluating the competitiveness of executive and director pay;

Preparing materials for the Compensation Committee in advance of meetings;

Attending Compensation Committee meetings;

Reviewing and commenting on compensation-related proxy disclosures;

Reviewing the Compensation Committee Charter;

## Edgar Filing: Primerica, Inc. - Form DEF 14A

Reviewing executive compensation tally sheets;

Being available for additional consultation to the Compensation Committee Chair; and

Undertaking special projects at the request of the Compensation Committee Chair, including advice with respect to Chief Executive Officer succession planning.

See Executive Compensation Compensation Discussion and Analysis ( CD&A ) Fiscal 2015 Executive Compensation The Compensation Setting Process Compensation Consultant.

### Code of Conduct

The Company's Code of Conduct applies to all employees, directors, and officers of the Company and its subsidiaries. The Code of Conduct is posted on the Corporate Governance page of our investor relations website at <http://investors.primerica.com> and is available in print free of charge to our stockholders who request a copy. The Company also has made available an Ethics Hotline, which permits employees to anonymously report a violation of the Code of Conduct. Any changes to the Code of Conduct will be posted on the Company's investor relations website.

18 Freedom Lives Here

**Table of Contents**

**Board Members**

The following information about each member of our Board of Directors includes their business experience, director positions held currently or at any time during the last five years, and the experiences, qualifications attributes or skills that caused the Corporate Governance Committee and our Board of Directors to determine that each individual should be nominated to serve as one of our directors.

**JOHN A. ADDISON, JR.**

**Board Committees:**

**Public Directorships:**

Chairman of Primerica Distribution

None

None

Age: 58

Director Since October 2009

Mr. Addison has served as the non-executive Chairman of Primerica Distribution since April 2015 and as Chairman of Primerica Distribution from March 2010 through March 2015. He served as the Company's Co-Chief Executive Officer from 1999 through March 2015 and served our company in various capacities since 1982 when he joined us as a business systems analyst. He has served in numerous officer roles with Primerica Life Insurance Company (Primerica Life), a life insurance underwriter, and Primerica Financial Services, Inc., a general agent, both of which are subsidiaries of Primerica. He served as Vice President and Senior Vice President of Primerica Life. He also served as Executive Vice President and Group Executive Vice President of Marketing. In 1995, he became President of the Primerica operating unit of Citigroup Inc. (Citigroup) and was promoted to Co-Chief Executive Officer in 1999. Mr. Addison is President and Chief Executive Officer of Addison Leadership Group LLC, is Leadership Editor of Success Magazine and serves on the Board of the National Monuments Foundation. Mr. Addison received his B.A. in Economics from the University of Georgia and his M.B.A. from Georgia State University.

Mr. Addison brings to our Board his 15 years of experience as our Co-Chief Executive Officer and over 30 years of understanding our company and our business, along with general management and marketing expertise.



**Table of Contents**

BOARD OF DIRECTORS

**JOEL M. BABBIT**

**Board Committees:**

**Public Directorships:**

Corporate Governance  
 Co-Founder and Chief Executive Officer  
 of Narrative Content Group, LLC  
 (formerly MNN Holding Company, LLC))

None

Age: 62

Director Since August 2011

Mr. Babbit is the Co-Founder and Chief Executive Officer of Narrative Content Group, LLC (formerly MNN Holding Company, LLC) ( NCG ), one of the leading resources for the production and distribution of digital content. Prior to launching NCG in 2009, Mr. Babbit spent more than 20 years in the advertising and public relations industry, creating two of the largest advertising agencies in the Southeastern US Babbit and Reiman (acquired by London-based GGT) and 360 (acquired by WPP Group s Grey Global Group). Following the acquisition of 360 by Grey Global Group in 2002, Mr. Babbit served as President and Chief Creative Officer of the resulting entity, Grey Atlanta, until 2009. He also previously served as President of WPP Group s GCI, a public relations firm, and as Executive Vice President and General Manager for the New York office of advertising agency Chiat/Day Inc. Following his hometown of Atlanta being awarded the 1996 Summer Olympics, and at the request of Mayor Maynard Jackson, Mr. Babbit took a leave of absence from the private sector to serve as Chief Marketing and Communications Officer for the City of Atlanta and as a member of the Mayor s cabinet. He received an A.B.J. degree from the University of Georgia.

Mr. Babbit brings to our Board over 20 years of experience in marketing and advertising, his management experience and his expertise in social media.

**Table of Contents**

BOARD OF DIRECTORS

**P. GEORGE BENSON**

**Lead Director**

**Public Directorships:**

**Board Committees:**

AGCO Corporation

Corporate Governance (Chair)

Crawford & Company

Audit

**Former Public Directorships:**

Former President of the College of  
Charleston

Nutrition 21, Inc.

Age: 69

Director Since April 2010

Since July 2014, Mr. Benson has been Professor of Decision Sciences at the College of Charleston. Mr. Benson served as the President of the College of Charleston from February 2007 through June 2014. From June 1998 until January 2007, he was Dean of the Terry College of Business at the University of Georgia. From July 1993 to June 1998, Mr. Benson served as Dean of the Rutgers Business School at Rutgers University and, prior to that, Mr. Benson was on the faculty of the Carlson School of Management at the University of Minnesota. Mr. Benson currently serves as Chairman of the Board of Directors for the Foundation for the Malcolm Baldrige National Quality Award, was Chairman of the Board of Overseers for the Baldrige Award Program from 2004 to 2007 and was a national judge for the Baldrige Award from 1997 to 2000. Mr. Benson also serves on the Board of Directors of AGCO Corporation and Crawford & Company. Mr. Benson received a B.S. degree in Mathematics from Bucknell University, completed graduate work in operations research in the Engineering School of New York University and earned a Ph.D. in business from the University of Florida.

Mr. Benson brings to our Board significant expertise in academics, senior management, corporate governance, strategic planning, and risk and asset management. In particular, our Board considered his experience managing the College of Charleston's staff of more than 2,000, budget of more than \$250 million and endowment of more than \$80 million, as well as his service on the boards of directors of other public companies and as a member of their audit committees.





**Table of Contents**

BOARD OF DIRECTORS

**GARY L. CRITTENDEN**

**Board Committees:**

Audit

**Former Public Directorships:**

Staples Inc.

Ryerson Inc.

TJX Companies

Managing Partner and Chairman of HGGC, LLC

Age: 62

Director Since July 2013

Mr. Crittenden has been a Managing Partner of HGGC, LLC ( HGGC ), a California-based middle market private equity firm, since July 2009, the Chairman of HGGC since August 2013 and the Chief Executive Officer of HGGC from April 2012 to August 2013. He is also a member of HGGC's Executive, Policy and Investment Committees. Further, he serves as Chairman of the Board of two HGGC portfolio companies, iQor and Policy Services Company. From March 2009 to July 2009, Mr. Crittenden was Chairman of Citi Holdings, an operating segment of Citigroup that comprises financial services company Citi Brokerage and Asset Management, Global Consumer Finance and Special Assets Portfolios, and from March 2007 to March 2009 he served as Chief Financial Officer of Citigroup. He served as the Chief Financial Officer of the American Express Company from 2000 to 2007. Prior to American Express, he was the Chief Financial Officer of Monsanto, Sears Roebuck and Company, Melville Corporation and Filene's Basement. On three separate occasions, the readers of Institutional Investor Magazine named Mr. Crittenden one of the Best CFOs in America. Mr. Crittenden spent the first twelve years of his career at Bain & Company, an international management consulting firm, where he became a partner. He received a B.S. Degree from Brigham Young University and an M.B.A. from Harvard Business School.

Mr. Crittenden brings to our Board expertise in general management, finance and accounting, strategic planning, risk and asset management, investment banking and capital markets, as well as experience serving on the boards of directors of several large public companies.

22 Freedom Lives Here

**Table of Contents**

BOARD OF DIRECTORS

**CYNTHIA N. DAY**

**Board Committees:**

**Public Directorships:**

Audit

Aaron s, Inc.

Corporate Governance

Citizens Bancshares Corporation

President and Chief Executive Officer

of Citizens Bancshares Corporation

and Citizens Trust Bank

Age: 50

Director Since January 2014

Ms. Day has been the President and Chief Executive Officer of Citizens Bancshares Corporation and Citizens Trust Bank since February 2012. She served as Chief Operating Officer and Senior Executive Vice President of Citizens Trust Bank from February 2003 to January 2012 and served as its acting President and Chief Executive Officer from January 2012 to February 2012. She previously served as the Executive Vice President and Chief Operating Officer and in other capacities of Citizens Federal Savings Bank of Birmingham from 1993 until its acquisition by Citizens Trust Bank in 2003. Before joining Citizens Trust Bank, she served as an audit manager for KPMG. Ms. Day also serves on the Board of Directors of Aaron s, Inc., the National Banker s Association, and the Atlanta Area Council of Boy Scouts of America. She is a member of the Georgia Society of CPAs, and a member of the Rotary Club of Atlanta. Ms. Day received a B.S. degree from the University of Alabama.

Ms. Day brings to our Board experience as the chief executive officer of a publicly held company as well as expertise in general management, mergers and acquisitions ( M&A ), government and regulatory affairs, finance and accounting, strategic planning, risk and asset management and corporate governance. She also has experience serving on the boards of directors of several public companies. In addition, the customer base served by Citizens Bancshares is very similar to that served by the Company, giving her a great understanding of their buying habits, the products they purchase and effective marketing and communication methods.



**Table of Contents**

BOARD OF DIRECTORS

**MARK MASON**

**Board Committees:**

**Public Directorships:**

Chief Financial Officer of the  
Institutional Clients Group of Citigroup

Compensation

None

Age: 46

Director Since March 2010

Mr. Mason has been the Chief Financial Officer of the Institutional Clients Group of Citigroup since September 2014. He previously served as Chief Executive Officer of Citi Private Bank, a division of Citigroup's Institutional Clients Group, from May 2013 to September 2014; as Chief Executive Officer of Citi Holdings, an operating segment of Citigroup that comprises Citi Brokerage and Asset Management, Global Consumer Finance and Special Assets Portfolios, from January 2012 to May 2013; and as Chief Operating Officer of Citi Holdings from January 2009 to December 2011. Mr. Mason joined Citigroup in 2001 and has also served as the Chief Financial Officer and Head of Strategy and M&A for Citigroup's Global Wealth Management Division, Chief of Staff to Citigroup's Chairman and Chief Executive Officer, Chief Financial Officer and Chief Operating Officer for Citigroup Real Estate Investments and Vice President of Corporate Development at Citigroup. Prior to joining Citigroup, Mr. Mason held various positions at Lucent Technologies, Marakon Associates, a strategy consulting firm, and Goldman, Sachs & Co. He received a Bachelor of Business and Administration in Finance from Howard University and an M.B.A. from Harvard Business School.

Mr. Mason brings to our Board expertise in general management, finance, strategic planning, M&A, and investment banking and capital markets.

**Table of Contents**

BOARD OF DIRECTORS

**ROBERT F. MCCULLOUGH**

**Board Committees:**

Audit (Chair)

Compensation

Private Investor

Age: 73

Director Since March 2010

**Public Directorships:**

Acuity Brands

**Former Public Directorships:**

Schweitzer-Mauduit International, Inc.

Comverge, Inc.

Mirant Corporation

Mr. McCullough has been a private investor since January 2007. He previously was Senior Partner of the investment fund manager Invesco Ltd. (formerly AMVESCAP PLC) from June 2004 to December 2006. Prior thereto, he was Chief Financial Officer of AMVESCAP PLC from April 1996 to May 2004. Mr. McCullough joined the New York audit staff of Arthur Andersen LLP in 1964, served as Partner from 1972 until 1996, and served as Managing Partner in Atlanta from 1987 until 1996. Mr. McCullough also serves on the Board of Directors of Acuity Brands. He received his B.B.A. in Accounting from the University of Texas at Austin.

Mr. McCullough brings to our Board expertise in senior management, finance and accounting, corporate governance, and M&A. In particular, our Board considered his broad perspective in accounting, financial controls and financial reporting matters and his extensive audit experience based on his lengthy career in public accounting and his experience serving as the chairman of the audit committees and governance committees of several public companies.

**Table of Contents**

BOARD OF DIRECTORS

**BEATRIZ R. PEREZ**

**Board Committees:**

**Former Public Directorships:**

Chief Sustainability Officer for The  
Coca-Cola Company

Compensation

HSBC Finance Corporation

Age: 46

Director Since May 2014

Ms. Perez has been employed by The Coca-Cola Company (Coca-Cola) since 1994. She has been Chief Sustainability Officer for Coca-Cola since July 2011. Prior to her current position, Ms. Perez held the positions of Chief Marketing Officer from April 2010 to July 2011; Senior Vice President, Integrated Marketing for the North America Division of Coca Cola from May 2007 to April 2010; and Vice President, Media, Sports and Entertainment Marketing from 2005 to May 2007. From 1996 to 2005, she held the positions of Associate Brand Manager, Classic Coke; Sports Marketing and NASCAR Manager; Vice President of Sports; and Vice President of the Victory Junction Group board. Ms. Perez is also the Chair Emeritus of the Grammy Foundation. Ms. Perez received a B.S. degree from the University of Maryland.

Ms. Perez brings to our Board expertise in corporate governance and experience sitting on the Board of Directors of HSBC and its related entities. In particular, our Board considered her significant current and past experience serving in several senior management positions at Coca-Cola.

---

**Table of Contents**

BOARD OF DIRECTORS

**D. RICHARD WILLIAMS**

**Board Committees:**

**Public Directorships:**

None

Crawford & Company

Chairman of the Board

Usana Health Sciences, Inc.

Age: 59

Director Since October 2009

Mr. Williams has served as non-executive Chairman of since April 2015 and as Chairman from October 2009 through March 2015. He served as our Co-Chief Executive Officer from 1999 through March 2015 and has served our company since 1989 in various capacities, including as the Chief Financial Officer and Chief Operating Officer of the Primerica operating unit of Citigroup. Mr. Williams also serves on the Board of Directors of Crawford & Company, Usana Health Sciences, Inc., the Anti-Defamation League Southeast Region, the Atlanta Area Council of the Boy Scouts of America, the Board of Trustees of The Woodruff Arts Center and the Carter Center Board of Councilors. Mr. Williams received both his B.S. degree and his M.B.A. from the Wharton School of the University of Pennsylvania.

Mr. Williams led our company as Co-Chief Executive Officer for 15 years and brings to our Board more than 20 years of knowledge of the Company's business, finances and operations along with expertise in senior management, finance, M&A, strategic planning, and risk and asset management.



**Table of Contents**

BOARD OF DIRECTORS

**GLENN J. WILLIAMS**

**Board Committees:**

**Public Directorships:**

Chief Executive Officer

None

None

Age: 56

Director Since April 2015

Mr. Williams has served as our Chief Executive Officer since April 2015. He served as the Company's President from 2005 through March 2015. Previously, he served as Executive Vice President of Field and Product Marketing for international operations from 2000 to 2005; as President and Chief Executive Officer of Primerica Canada from 1996 to 2000; and in roles of increasing responsibility as part of Primerica's international expansion team in Canada from 1985 to 2000. He began his career with Primerica in 1981 as a member of the Company's sales force and joined the Home Office team in 1983. Mr. Williams received his B.S. degree in Education from Baptist University of America.

Mr. Williams brings to our Board more than 30 years of experience with the Company, including time in the field as a sales representative, as well as expertise in general management, sales and marketing.

**Table of Contents**

BOARD OF DIRECTORS

**BARBARA A. YASTINE**

**Board Committees:**

**Public Directorships:**

Co-Chief Executive Officer,  
Lebenthal Holdings

Compensation (Chair)

None

Age: 56

Director Since December 2010

Ms. Yastine has served as Co-Chief Executive Officer of Lebenthal Holdings since September 2015. She also serves as Chief Executive Officer of Lebenthal Wealth Advisors and Chief Executive Officer of Lebenthal & Co., the broker-dealer affiliated with Lebenthal Holdings. She previously served as Chair, President and Chief Executive Officer of Ally Bank from March 2012 to September 2015 and as Chief Administrative Officer of Ally Financial, overseeing the risk, compliance, legal and technology areas from May 2010 to March 2012. Prior to joining Ally Financial, she served as a Principal of Southgate Alternative Investments, a start-up diversified alternative asset manager, beginning in June 2007. She served as Chief Financial Officer for investment bank Credit Suisse First Boston from October 2002 to August 2004. From 1987 through 2002, Ms. Yastine worked at Citigroup and its predecessor companies. She received a B.A. in Journalism and an M.B.A. from New York University.

Ms. Yastine brings to our Board expertise in general management, risk and asset management, finance and strategic planning. In particular, our Board considered her significant current and past experience serving in senior management positions in the investment banking and capital markets industries.

**Table of Contents**

## BOARD OF DIRECTORS

**Director Qualifications**

Set forth below is a chart that highlights certain skills, qualifications and characteristics of the members of our Board.

	Leadership				Financial	Financial Eligible for Audit Committee Financial Expert	Diversity Factors	
	CEO Experience	CFO Experience	Regulated Industry	Sales & Marketing	Financial Literacy		Gender	Ethnicity
John A. Addison, Jr.	ü		ü	ü	ü			
Joel M. Babbit	ü			ü				
P. George Benson	ü			ü	ü			
Gary L. Crittenden		ü	ü		ü	ü	ü	ü
Cynthia N. Day	ü		ü		ü	ü		
Mark Mason		ü	ü		ü			ü
Robert F. McCullough		ü	ü		ü	ü		
Beatriz R. Perez			ü	ü			ü	ü
Glenn J. Williams	ü		ü	ü	ü			
D. Richard Williams	ü	ü	ü		ü			
Barbara A. Yastine	ü	ü	ü		ü		ü	

**Board Meetings**

During fiscal 2015, our Board held five meetings. Each director attended at least 75%, collectively, of the meetings of our Board and its committees on which he or she served during fiscal 2015. We expect our directors to attend the Annual Meeting of Stockholders absent extraordinary circumstances, and, each director attended the 2015 Annual Meeting of Stockholders.

**Board Committees**

Our Board has four standing committees that assist it in carrying out its duties – the Audit Committee, the Compensation Committee, the Corporate Governance Committee and the Executive Committee (which was created in February 2015). The charter of each committee is available on our investor relations website at <http://investors.primerica.com> and may be obtained, without charge, by contacting the Corporate Secretary, Primerica, Inc., One Primerica Parkway Duluth, Georgia 30099. The following chart shows the membership of each of our Board's standing committees as of December 31, 2015.

Name	Corporate			
	Audit	Compensation	Governance	Executive
John A. Addison, Jr.				
Joel M. Babbit (I)			ü	
P. George Benson (LD) (I)	ü		Chair	ü
Gary L. Crittenden (I)(F)	ü			
Cynthia N. Day (I)(F)	ü		ü	
Mark Mason (I)		ü		
Robert F. McCullough (I)(F)	Chair	ü		ü
Beatriz R. Perez (I)		ü		
D. Richard Williams (*)				Chair
Glenn J. Williams				ü

# Edgar Filing: Primerica, Inc. - Form DEF 14A

Barbara A. Yastine (I)		Chair		ii
Number of meetings in fiscal 2015	10	9	6	1
*- Chairman of the Board				

LD Lead Director

I Independent Director

F Audit Committee Financial Expert

30 Freedom Lives Here

**Table of Contents**

BOARD OF DIRECTORS

The key responsibilities of each of the Board's standing committees are described below:

<b>Committee</b>	<b>Key Responsibilities</b>
Audit Committee	<p>Retains and terminates the Company's independent registered public accounting firm and approves its services and fees</p> <p>Assists our Board in fulfilling its responsibility to our stockholders relating to the financial reporting process and systems of internal control</p> <p>Determines whether the Company's financial systems and reporting practices were established in accordance with applicable requirements</p> <p>Oversees the Company's internal audit and risk functions</p>
Compensation Committee	<p>See Audit Matters - Audit Committee Report.</p> <p>Oversees the Company's overall human resources compensation program</p> <p>Approves and oversees the administration of the Company's material benefit plans, policies and programs, including all of the Company's equity plans and incentive plans</p> <p>Reviews and approves principal elements of total compensation for certain of the Company's executive officers and approves employment agreements, as applicable</p> <p>Reviews and recommends the compensation of non-employee directors to the full Board</p> <p>Reviews and recommends directors' and officers' indemnification and insurance matters</p>

## Edgar Filing: Primerica, Inc. - Form DEF 14A

### Corporate Governance Committee

Discusses, evaluates and reviews the Company's policies and practices of compensating its employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives

Shapes corporate governance policies and practices, including recommending to our Board the Corporate Governance Guidelines applicable to the Company and monitoring the Company's compliance with such policies, practices and guidelines

Identifies individuals qualified to become Board members and recommends to our Board the director nominees to be considered for election at the next annual meeting of stockholders

Leads our Board and all committees in their annual self-assessments of their performance.

### Executive Committee

Oversees executive succession planning and talent development, our political action committee, and our government relations strategy

Exercises all powers and authority of the Board during the intervals between regularly scheduled Board meetings on matters that do not merit the calling of a special meeting of the Board

## **Table of Contents**

BOARD OF DIRECTORS

### **Director Compensation**

The Compensation Committee is responsible for reviewing and considering any revisions to director compensation. The Compensation Committee reviews director compensation paid by peer companies at least biannually as part of its process of evaluating and setting compensation for non-employee directors. The Compensation Committee does not seek to benchmark or set compensation at any specific level relative to the peer data. Instead, the Compensation Committee uses this information primarily as background with respect to compensation plan design decisions and as a general reference point for pay levels. For a list of the peers and a description of how they were selected, see [Executive Compensation Compensation Discussion and Analysis \(CD&A\) Fiscal 2015 Executive Compensation The Compensation Setting Process Use of a Peer Group](#).

Our Board reviews the Compensation Committee's recommendations and determines the amount of director compensation annually. Executive officers have no role in determining or recommending director compensation. Our Board has determined that compensation for non-employee directors should be a mix of cash and equity-based compensation. Directors who are employees of Primerica do not receive any fees or additional compensation for their service on our Board. The interests of our non-employee directors are aligned with the interests of our stockholders by linking a portion of their compensation to stock performance.

### ***Annual Retainer***

The Board believes that a significant portion of non-employee director compensation should align director interests with the interests of our stockholders. As a result, the Board has approved the following compensation program for directors in fiscal 2015: