

ST JOE CO  
Form DEF 14A  
April 06, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under § 240.14a-12

**The St. Joe Company**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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**The St. Joe Company**  
**133 South WaterSound Parkway**  
**WaterSound, Florida 32413**

**NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS**

April 5, 2016

Dear Shareholder:

It is my pleasure to invite you to attend The St. Joe Company's Annual Meeting of Shareholders. The meeting will be held on May 17, 2016, at 10:00 a.m., Central Daylight Time, at Sharks Tooth Golf Club, 2003 Wild Heron Way, Lake Powell, Florida 32413. At the meeting, you will be asked to:

1. Elect seven directors for a one-year term expiring at the 2017 Annual Meeting of Shareholders (the Annual Meeting ) or until his or her successor is elected and qualified.
2. Ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2016 fiscal year.
3. Approve, on an advisory basis, the compensation of our named executive officers.
4. Transact such other business as may properly come before the Annual Meeting and any adjournment or postponement of the Annual Meeting.

Only shareholders of record as of the close of business on March 22, 2016 may vote at the Annual Meeting.

It is important that your shares be represented at the Annual Meeting, regardless of the number of shares you may hold. *Whether or not you plan to attend the Annual Meeting, please vote using the Internet, by telephone or by mail, in each case by following the instructions in our proxy statement.* This will not prevent you from voting your shares in person if you are present.

I look forward to seeing you on May 17, 2016.

Sincerely,

Bruce R. Berkowitz

Chairman of the Board

We mailed a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and annual report on or about April 5, 2016. St. Joe's proxy statement and annual report are available online at <https://materials.proxyvote.com/790148>.

**The St. Joe Company | 2016 Proxy Statement**

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**PROXY STATEMENT**

**The St. Joe Company**  
**133 South WaterSound Parkway**  
**WaterSound, Florida 32413**

**PROXY STATEMENT**

**Proxy Statement for Annual Meeting of Shareholders to be held on May 17, 2016**

You are receiving this proxy statement because you own shares of common stock of The St. Joe Company, which we sometimes refer to as St. Joe, the Company, we, our and us, that entitle you to vote at the Annual Meeting of Shareholders, which we refer to as the Annual Meeting. Our Board of Directors, which we sometimes refer to as the Board, is soliciting proxies from shareholders who wish to vote at the meeting. By use of a proxy, you can vote even if you do not attend the meeting. This proxy statement describes the matters on which you are being asked to vote and provides information on those matters so that you can make an informed decision.

**Date, Time and Place of the Annual Meeting**

We will hold the Annual Meeting on May 17, 2016, at 10:00 a.m., Central Daylight Time, at Sharks Tooth Golf Club, 2003 Wild Heron Way, Lake Powell, Florida 32413.

**The St. Joe Company | 2016 Proxy Statement 1**



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**QUESTIONS AND ANSWERS ABOUT VOTING AT THE ANNUAL MEETING AND RELATED MATTERS**

***Q: Who may vote at the Annual Meeting?***

**A:** Only holders of record of shares of our common stock at the close of business on March 22, 2016, the record date for the Annual Meeting, are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement of the meeting. On the record date, we had 74,333,907 shares of our common stock outstanding and entitled to be voted at the meeting.

***Q: How many votes do I have?***

**A:** You may cast one vote for each share of our common stock held by you as of the record date on all matters presented at the meeting.

***Q: What constitutes a quorum, and why is a quorum required?***

**A:** We are required to have a quorum of shareholders present to conduct business at the meeting. The presence at the meeting, in person or by proxy, of the holders of at least a majority of the shares entitled to vote on the record date will constitute a quorum, permitting us to conduct the business of the meeting. Proxies received but marked as abstentions, if any, proxies returned without making any selections, if any, and broker non-votes (described below) will be included in the calculation of the number of shares considered to be present at the meeting for quorum purposes. If we do not have a quorum, we will be forced to reconvene the Annual Meeting at a later date.

***Q: What is the difference between a shareholder of record and a beneficial owner?***

**A:** If your shares are registered directly in your name with St. Joe's transfer agent, American Stock Transfer & Trust Company, you are considered the shareholder of record with respect to those shares.

If your shares are held by a brokerage firm, bank, trustee or other agent, whom we refer to as a nominee, you are considered the beneficial owner of shares held in street name. The Notice of Internet Availability of Proxy Materials, which we refer to as the Notice, has been forwarded to you by your nominee who is considered the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your nominee on how to vote your shares by following its instructions for voting.

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**QUESTIONS AND ANSWERS ABOUT VOTING AT THE ANNUAL MEETING AND RELATED MATTERS**

***Q:***     *How do I vote?*

**A:**       If you are a shareholder of record, you may vote:

- via Internet;
- by telephone;
- by mail, if you have received a paper copy of the proxy materials; or
- in person at the meeting.

Detailed instructions for Internet and telephone voting are set forth on the Notice, which contains instructions on how to access our proxy statement and annual report online.

If your shares are held in our 401(k) Plan, your proxy will serve as a voting instruction for the trustee of our 401(k) Plan, who will vote your shares as you instruct. To allow sufficient time for the trustee to vote, your voting instructions must be received by May 10, 2016. If the trustee does not receive your instructions by that date, the trustee will vote the shares you hold through our 401(k) Plan **FOR** the director nominees in proposal 1 and **FOR** proposals 2 and 3.

If you are a beneficial shareholder, you must follow the voting procedures of your nominee included with your proxy materials. If your shares are held by a nominee and you intend to vote at the meeting, please bring with you evidence of your ownership as of the record date (such as a letter from your nominee confirming your ownership or a bank or brokerage firm account statement).

***Q:***     *What am I being asked to vote on?*

**A:**       At the Annual Meeting you will be asked to vote on the following three proposals. Our Board recommendation for each of these proposals is set forth below.

<b>Proposal</b>	<b>Board Recommendation</b>
1. To elect seven directors for a one-year term expiring at the next Annual Meeting of Shareholders or until his or her successor is elected and qualified.	<b>FOR</b>

2. To ratify the appointment of KPMG LLP, which we refer to as KPMG, as our independent registered public accounting firm for the 2016 fiscal year.

**FOR**

3. To approve, on an advisory basis, the compensation of our named executive officers, which we refer to as Say on Pay.

**FOR**

We will also consider such other business that properly comes before the meeting in accordance with Florida law and our Bylaws.

***Q:*** *What happens if additional matters are presented at the Annual Meeting?*

**A:** Other than the items of business described in this proxy statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxy holders, Messrs. Bruce R. Berkowitz and Jorge L. Gonzalez, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting in accordance with Florida law and our Bylaws.

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**QUESTIONS AND ANSWERS ABOUT VOTING AT THE ANNUAL MEETING AND RELATED MATTERS**

***Q: How many votes are needed to elect the director nominees (Proposal 1)?***

**A:** Under our Bylaws, a majority of the votes cast (meaning the number of shares voted for a nominee must exceed the number of shares voted against such nominee) is required for the election of directors in an uncontested election.

***Q: How many votes are needed to approve the ratification of KPMG (Proposal 2)?***

**A:** Under our Bylaws, the votes cast favoring the action must exceed the votes cast opposing the action to approve the ratification of KPMG as our independent registered certified public accounting firm.

***Q: How are votes counted for the advisory proposal regarding Say on Pay (Proposal 3)?***

**A:** Proposal 3 is an advisory vote, which means that while we ask shareholders to approve resolutions regarding Say on Pay, it is not an action that requires shareholder approval. Consequently, the provisions of our Bylaws regarding voting requirements do not apply to this proposal. We will report the results of the shareholder vote on this proposal based on the number of votes cast. If more shares vote FOR the Say on Pay proposal than vote AGAINST, we will consider the proposal approved.

***Q: What is the effect of the advisory votes on Proposal 3?***

**A:** Although the advisory vote on Proposal 3 is non-binding, our Board and the Compensation Committee will review and consider the results of the vote in making a determination concerning executive compensation for 2017.

***Q: What if I sign and return my proxy without making any selections?***

**A:** If you sign and return your proxy without making any selections, your shares will be voted FOR the director nominees in proposal 1 and for proposals 2 and 3. If other matters properly come before the

meeting, Messrs. Bruce R. Berkowitz and Jorge L. Gonzalez will have the authority to vote on those matters for you at their discretion. As of the date of this proxy statement, we are not aware of any matters that will come before the meeting other than those disclosed in this proxy statement.

***Q:*** *What if I am a beneficial shareholder and I do not give the nominee voting instructions?*

**A:** If you are a beneficial shareholder and your shares are held in the name of a broker, the broker is bound by the rules of the New York Stock Exchange, which we refer to as the NYSE, regarding whether or not it can exercise discretionary voting power for any particular proposal if such broker has not received voting instructions from you. Brokers have the authority to vote shares for which their customers do not provide voting instructions only with respect to certain routine matters. A broker non-vote occurs when a nominee who holds shares for another does not vote on a particular matter because the nominee does not have discretionary voting authority for that matter and has not received instructions from the beneficial owner of the shares. Broker non-votes are included in the calculation of the number of votes considered to be present at the meeting for purposes of determining the presence of a quorum but are not counted as a vote cast with respect to a matter on which the nominee has expressly not voted.

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**Table of Contents****QUESTIONS AND ANSWERS ABOUT VOTING AT THE ANNUAL MEETING AND RELATED MATTERS**

Other than the proposal to approve the ratification of KPMG (Proposal 2), none of the proposals described in this proxy statement relate to routine matters. As a result, a broker will not be able to vote your shares with respect to Proposals 1 and 3 absent your voting instructions.

***Q: What if I abstain or withhold authority to vote on a proposal?***

**A:** If you sign and return your proxy marked **ABSTAIN** on any proposal, your shares will not be voted on that proposal and will not be counted as votes cast in the final tally of votes with regard to that proposal. However, your shares will be counted for purposes of determining whether a quorum is present.

The table below sets forth, for each proposal on the ballot: (1) whether a broker can exercise discretion and vote your shares with respect to such proposal absent your instructions; (2) the impact of broker non-votes (if applicable) on the approval of the proposal; and (3) the impact of abstentions on the approval of the proposal.

<b>Proposal</b>	<b>Can Brokers Vote Absent Instructions?</b>	<b>Impact of Broker Non-Vote</b>	<b>Impact of Abstentions</b>
Election of Directors	No	None	None
Ratification of Auditors	Yes	Not Applicable	None
Say on Pay	No	None	None

***Q: Can I change my vote after I have delivered my proxy?***

**A:** Yes. If you are a shareholder of record, you may revoke your proxy at any time before its exercise by:

Written notice to our Corporate Secretary at The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413;  
Executing and delivering to our Corporate Secretary a proxy with a later date;  
Attending the Annual Meeting and voting in person; or  
Submitting a telephonic or Internet vote with a later date.

If you are a beneficial shareholder, you must contact your nominee to change your vote or obtain a proxy to vote your shares if you wish to cast your vote in person at the meeting.

***Q:*** *What does it mean if I receive more than one proxy card?*

**A:** If you receive more than one proxy card, it means that you hold shares of St. Joe in more than one account. To ensure that all your shares are voted, sign and return each proxy card. Alternatively, if you vote by telephone or on the Internet, you will need to vote once for each proxy card you receive.

***Q:*** *Who can attend the Annual Meeting?*

**A:** Only shareholders and our invited guests may attend the Annual Meeting. To gain admittance, you must bring a form of personal identification to the meeting, where your name will be verified against our shareholder list. If a broker or other nominee holds your shares and you

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**QUESTIONS AND ANSWERS ABOUT VOTING AT THE ANNUAL MEETING AND RELATED MATTERS**

plan to attend the meeting, you should bring a recent brokerage statement showing your ownership of the shares as of the record date or a letter from the broker or other nominee confirming such ownership, and a form of personal identification.

***Q: If I plan to attend the Annual Meeting, should I still vote by proxy?***

**A:** Yes. Casting your vote in advance does not affect your right to attend the Annual Meeting. If you vote in advance and also attend the meeting, you do not need to vote again at the meeting unless you want to change your vote. Written ballots will be available at the meeting for shareholders of record.

Beneficial shareholders who wish to vote in person must request a legal proxy from the broker or other nominee and bring that legal proxy to the Annual Meeting.

***Q: Where can I find voting results of the Annual Meeting?***

**A:** We will announce the results for the proposals voted upon at the Annual Meeting and publish final detailed voting results in a Form 8-K filed within four business days after the Annual Meeting.

***Q: Who should I call with other questions?***

**A:** If you have additional questions about this proxy statement or the meeting or would like additional copies of this proxy statement or our annual report, please contact: The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413, Attention: Investor Relations, Telephone: (850) 231- 6400.

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**PROPOSAL 1 - ELECTION OF DIRECTORS**

Under our Bylaws, directors are elected for a one-year term expiring at the next annual meeting of shareholders or until his or her successor is elected and qualified. In November 2015, Mr. Jeffrey Keil stepped down from his position as our Interim Chief Executive Officer and resigned from the Board of Directors. Also in November 2015, our Board appointed Mr. Jorge L. Gonzalez to serve as President and Chief Executive Officer and elected Mr. Gonzalez to fill the vacancy that resulted from Mr. Keil's departure. Upon the recommendation of the Governance and Nominating Committee, which we refer to as the Governance Committee, our Board has nominated Messrs. Cesar L. Alvarez, Bruce R. Berkowitz, Howard S. Frank, Jorge L. Gonzalez, Stanley Martin, Thomas P. Murphy Jr. and Vito S. Portera for re-election, each for a one-year term that will expire at the 2017 Annual Meeting of Shareholders or until his successor is elected and qualified, and each has consented to serve if elected.

We believe that each of our directors possesses the experience, skills and qualities to fully perform his duties as a director and contribute to our success. Our directors were nominated because each possesses the highest standards of personal integrity and interpersonal and communication skills, is highly accomplished in his field, has an understanding of the interests and issues that are important to our shareholders and is able to dedicate sufficient time to fulfilling his obligations as a director. Our directors as a group complement each other and each other's respective experiences, skills and qualities.

Each director's principal occupation and other pertinent information about the particular experiences, qualifications, attributes and skills that led the Board to conclude that such person should serve as a director appears on the following pages.

<p><b>Cesar L. Alvarez</b></p> <p>Age 68</p> <p>Director since 2012</p> <p>Committee:</p> <p style="padding-left: 20px;">Governance (Chair)</p>	<p>Mr. Alvarez has served as Senior Chairman of the international law firm of Greenberg Traurig, LLP, commencing in 2016. Prior to his appointment as Senior Chairman, Mr. Alvarez served as the firm's Co-Chairman from 2012 to 2016. He previously served as the firm's Chief Executive Officer from 1997 until his election as Executive Chairman in January 2010 and as its Executive Chairman from January 2010 until his election as Co-Chairman. Mr. Alvarez has served on the board of directors of Mednax, Inc. since 1997 and on the board of directors of Intrexon Corporation since 2008. Mr. Alvarez has also served on the board of directors of Fairholme Funds, Inc., which we refer to as the Fairholme Fund, since 2008 and on the board of directors of Sears Holding Corporation since 2013.</p>
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*Qualifications.* The Board nominated Mr. Alvarez to serve as a director due to his management experience as the Senior Chairman and as former Chief Executive Officer of one of the nation's largest law firms with professionals providing services in multiple locations across the country, as well as his many years of corporate governance experience, both counseling and serving on the boards of directors of other publicly traded companies.

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**PROPOSAL 1 - ELECTION OF DIRECTORS**

**Bruce R. Berkowitz**

Age 57

Director since 2011

Chairman since 2011

Mr. Berkowitz is the Chief Investment Officer of Fairholme Capital Management, LLC, which we refer to as Fairholme, President of the Fairholme Fund and Manager of Fairholme Holdings LLC. The Fairholme Fund owned approximately 31.1% of our common stock as of February 26, 2016.

Mr. Berkowitz has served as a director of the Fairholme Fund since 1999 and as a director of Sears Holding Corporation since February 2016. He has also served as a director of Olympus Re Holdings, Ltd. and Olympus Reinsurance Company, Ltd. (Bermuda) since 2001. Previously, Mr. Berkowitz served as a director of each of White Mountains Insurance Group, Ltd., a financial services holding company, from 2004 to 2010, AmeriCredit Corporation, a retail financial services company, from 2008 to 2009 and TAL International Group Inc., a lessor of intermodal freight containers and chassis, from 2004 to 2009. In addition, Mr. Berkowitz was Managing Member of Fairholme from 1997 to 2014.

*Qualifications.* The Board nominated Mr. Berkowitz to serve as a director because of his extensive financial and investment experience and his valuable network of business and professional relationships.

**Howard S. Frank**

Age 75

Director since 2011

Committees:

Compensation (Chair)

Audit

Mr. Frank is currently a Consultant to the CEO and to the Chairman of Carnival Corporation & plc ( Carnival ). He has also served as Chairman of the board of directors of Costa Crociere, S.p.A., Carnival s largest cruise group in Europe since 2014. From 1989 until 2013, Mr. Frank served as the Vice Chairman, Chief Operating Officer and director of Carnival, one of the largest cruise vacation groups in the world. Mr. Frank is a past Chairman and current Vice Chairman of the Board of Trustees for the New World Symphony and currently serves as an independent director on the board of directors of the Fairholme Fund.

*Qualifications.* The Board nominated Mr. Frank to serve as a director because of his extensive strategic accounting, operational experience and sound business judgment demonstrated throughout his career with Carnival, as well as his experience as an Audit Committee Chair with the Fairholme Fund.

**Jorge L. Gonzalez**

Age 51

Director since 2015

Mr. Gonzalez joined us in 2002 and has served as our President and Chief Executive Officer since November 2015. During his time with the Company, Mr. Gonzalez has served in roles of increasing responsibility and most recently as the Company's Senior Vice President of Development from March 2015 to November 2015. In that role, Mr. Gonzalez supervised the long and complex sector planning entitlement process that was successfully concluded in 2015. Mr. Gonzalez has over 26 years of continuous experience in various planning and real estate related roles. Mr. Gonzalez is a member of the Urban Land Institute and serves on various community boards and organizations including the Florida State University Panama City Campus Development Board, the Bay County Economic Development Alliance, the Northwest Florida Manufacturer's Council, Gulf Coast Regional Medical Center, and Enterprise Florida.

*Qualifications.* The Board nominated Mr. Gonzalez to serve as a director because of his extensive experience in the real estate development industry, including as an executive officer of the Company.

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**PROPOSAL 1 - ELECTION OF DIRECTORS**

**Stanley Martin**

Age 68

Director since 2012

Committees

Audit (Chair)

Governance

Mr. Martin is currently a private investor with significant finance executive experience. From 2004 to 2006, Mr. Martin served as the Chief Audit Executive for the Federal Home Loan Mortgage Corporation. Previously, he served as the Chief Financial Officer of Republic New York Corporation and Republic National Bank from 1998 until its acquisition by HSBC Bank in 2000 and then as an Executive Vice President and consultant with HSBC Bank through April 2003. Mr. Martin formerly served as a member of the Board of Trustees and Chairman of Audit Committee of John Hancock Funds, which is composed of over 50 mutual funds including 10 New York Stock Exchange closed end funds. Mr. Martin was previously a partner of and spent 27 years with KPMG LLP, and holds an active license in the State of Florida as a Certified Public Accountant.

*Qualifications.* The Board nominated Mr. Martin to serve as a director because of his significant finance and accounting experience and his experience as an Audit Committee Chair with John Hancock Funds.

**Thomas P. Murphy, Jr.**

Age 67

Director since 2011

Committees:

Compensation

Governance

Mr. Murphy is Chairman and Chief Executive Officer of Coastal Construction Group, a construction company that he founded in 1989. Mr. Murphy has 47 years of construction and development experience, which encompasses hospitality, resort, single and multi-family residential, commercial, educational and industrial projects. Mr. Murphy is an honorary Board member of Baptist Health Systems of South Florida and is a member of the Construction Industry Round Table, the National Association of Home Builders and the Florida Home Builders Association. Mr. Murphy also co-founded Seaboard Construction, which he grew to become one of the largest general contractors in Florida, selling the company in 1988 to Turner Construction, the largest general contractor in the United States at the time. Mr. Murphy has served as a director of Interval Leisure Group, Inc. since August 2008.

*Qualifications.* The Board nominated Mr. Murphy to serve as a director because of his valuable entrepreneurial skills and extensive knowledge of construction and real estate in Florida as well as his experience serving on the board of directors of a public company.

**Vito S. Portera**

Age 74

Mr. Portera is currently a private investor who previously served as Vice Chairman and director of Republic New York Corporation, Vice Chairman and director of Republic National Bank of New York and officer of various subsidiaries from 1969

Director since 2014

until its acquisition by HSBC Bank in 2000 and then as an Executive Vice President until April 2000.

Committees:

Compensation

Audit

*Qualifications.* The Board nominated Mr. Portera to serve as a director because of his significant finance and investment experience as well as his prior senior executive experience.

### **Recommendation of the Board of Directors**

The Board of Directors recommends a vote **FOR** each of the director nominees.

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**CORPORATE GOVERNANCE**

**Corporate Governance Guidelines**

The Board of Directors has adopted Corporate Governance Guidelines, which describe our corporate governance practices and policies and provide a framework for our Board governance. The topics addressed in our Corporate Governance Guidelines include, among other things:

Director independence (including our Policy Regarding Director Independence Determinations);  
Director qualifications, responsibilities and tenure;  
Board structure;  
Director resignation policy;  
Director compensation; and  
Management succession.

From time to time, the Governance Committee will review our Corporate Governance Guidelines and, if necessary, will recommend changes to the Board. Our Corporate Governance Guidelines are available to view under the Investor Relations Corporate Governance section of our website, located at [www.joe.com](http://www.joe.com).

**Board Leadership Structure**

As stated in our Corporate Governance Guidelines, it is our policy that the positions of Chief Executive Officer (CEO) and Chairman of the Board may be filled by the same person or different persons. As such, the Board remains free to make this determination from time to time in a manner that seems most appropriate for St. Joe. Currently, we separate the positions of CEO and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for the strategic direction of St. Joe and the day to day leadership and performance of St. Joe, while the Chairman of the Board provides the CEO with guidance, sets the agenda for the Board meetings and presides over meetings of the Board. In addition, we believe that the current separation provides a more effective monitoring and objective evaluation of the CEO's performance. The separation also allows the Chairman of the Board to strengthen the Board's independent oversight of our performance and governance standards.

**Director Independence**

It is the policy of the Board that a majority of the members of the Board qualify as independent directors. To assist it in making independence determinations, the Board adopted categorical standards of director independence, which are attached as Annex A to our Corporate Governance Guidelines which are available to view under the Investor Relations - Corporate Governance section of our website, located at [www.joe.com](http://www.joe.com). The categorical standards of director independence are consistent with the independence standards set forth in Section 303A.02 of the NYSE



listing standards.

Pursuant to our Corporate Governance Guidelines, the Board undertakes an annual review of director independence, which includes a review of each director's responses to questionnaires asking about any relationships with us. This review is designed to identify and evaluate any transactions or relationships between a director or any member of his or her immediate family and us or members of our senior management. In

**Table of Contents****CORPORATE GOVERNANCE**

determining that Mr. Alvarez was independent, the Board considered the legal services provided to us by Greenberg Traurig, a law firm for which Mr. Alvarez serves as Co-Chairman. Following such consideration, the Board determined that the services provided by Greenberg Traurig did not affect Mr. Alvarez's independence.

Based on its independence review and after considering the transactions described above, the Board determined that each of the following current directors (which together constitute all of the members of the Board other than Mr. Gonzalez) is independent: Messrs. Alvarez, Berkowitz, Frank, Martin, Murphy and Portera. Mr. Gonzalez is not independent as he currently serves as our President and Chief Executive Officer.

**Board Committees**

The Board has the following three standing committees: the Governance Committee; the Audit Committee; and the Compensation Committee. Copies of the charters of each of the Governance Committee, the Audit Committee and the Compensation Committee setting forth the responsibilities of the committees can be found under the Investor Relations Corporate Governance section of our website, located at [www.joe.com](http://www.joe.com). Printed copies of these charters will also be provided to any shareholder who requests them by contacting us at the following address: The St. Joe Company, 133 South WaterSound Parkway, WaterSound, Florida 32413, Attn: Corporate Secretary. We periodically review and revise the committee charters. The Board adopted a revised Governance Committee Charter on February 25, 2015 and Audit Committee Charter on August 15, 2015. Upon review in 2015, the Board determined that no revisions to the Compensation Committee Charter were necessary.

A summary of the current composition of each standing committee, and the number of meetings held by each such committee in 2015, is set forth below.

Name	Governance and Nominating Chair	Compensation Chair	Audit Chair
Cesar L. Alvarez			
Bruce R. Berkowitz			
Howard S. Frank			
Jorge L. Gonzalez			
Stanley Martin			
Thomas P. Murphy Jr.			
Vito S. Portera			
<u>Meetings held in 2015:</u> = Committee member	1	2	6

In addition, the Board currently has created two special committees: (1) the Executive Committee and (2) the Investment Committee. Discussion of these committees is set forth below.

## **Board and Committee Meetings**

The Board convened six formal meetings in 2015 and acted pursuant to written consent in lieu of a meeting one time. Each member of the Board, with the exception of Mr. Gonzalez who joined the Board in November 2015, attended at least 75% of the aggregate number of meetings of the Board and the committees on which he served in 2015. Non-management directors meet periodically in executive session without management on a regularly scheduled basis. Our Chairman of the Board presides during such sessions. Board members are expected to attend our annual meetings, either in person, by phone or by other remote communication. All of the current members of the Board, who were serving as directors at the time of the 2015 Annual Meeting, were present at the 2015 Annual Meeting.

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**CORPORATE GOVERNANCE**

**Audit Committee**

*Responsibilities*

The Audit Committee's responsibilities include, among other things:

- appointing our independent auditors and monitoring their performance, qualifications and independence;
- assisting the Board's oversight of the quality and integrity of our financial statements;
- reviewing with management, the internal auditor and independent auditors, the quality, adequacy and effectiveness of our internal control over financial reporting;
- reviewing our policies and processes with respect to risk assessment and risk management;
- exercising an oversight role with respect to our internal audit function; and
- reviewing with management our policies with respect to compliance with laws and regulations, including our Code of Business Conduct and Ethics.

In addition, the Audit Committee has sole authority to pre-approve all auditing services, internal control-related audit services and permitted non-audit services to be provided by the independent auditors. The Audit Committee may delegate any of its responsibilities, as it deems appropriate, to a subcommittee composed of one or more members.

*Independence and Financial Expertise*

The Board reviewed the background, experience and independence of the Audit Committee members based in large part on the directors' responses to questions relating to their relationships, background and experience. Based on this review, the Board determined that each member of the Audit Committee:

- meets the independence requirements of the NYSE's corporate governance listing standards;
- meets the enhanced independence standards for audit committee members required by the Securities and Exchange Commission, which we refer to as the SEC;
- is financially literate, knowledgeable and qualified to review financial statements; and
- is free of any relationship that, in the opinion of the Board, may interfere with his or her exercise of independent judgment as an Audit Committee member.

In addition, the Board has determined that each of Howard S. Frank, Stanley Martin and Vito S. Portera qualifies as an audit committee financial expert under SEC rules.

**Compensation Committee**

*Responsibilities*

The Compensation Committee's responsibilities include, among other things:

in consultation with senior management, establishing our general compensation philosophy, and overseeing the development and implementation of our compensation and benefits program; together with the other independent directors of the Board, setting the compensation of the CEO and our other executive officers;

reviewing and approving performance goals and objectives, consistent with approved compensation plans, with respect to the compensation of the CEO and all other executive officers;

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**CORPORATE GOVERNANCE**

reviewing and supervising the administration of our incentive compensation or equity based plans that are subject to Board approval;