



March 23, 2016

To the Stockholders of  
TORCHMARK CORPORATION (the Company):

Torchmark Corporation's 2016 Annual Meeting of Stockholders (Annual Meeting) will be held at Company headquarters, 3700 South Stonebridge Drive, McKinney, Texas 75070 at 10:00 a.m., Central Daylight Time, on Thursday, May 12, 2016. The Annual Meeting will be conducted using Robert's Rules of Order and Torchmark Corporation's Shareholder Rights Policy. This policy is posted on the Company's web site at <http://www.torchmarkcorp.com> or you may obtain a printed copy by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

The accompanying Notice and Proxy Statement discuss proposals which will be submitted to a stockholder vote. If you have any questions or comments about the matters discussed in the Proxy Statement or about the operations of the Company, we will be pleased to hear from you.

It is important that your shares be voted at the Annual Meeting. Please mark, sign, and return your proxy or vote over the telephone or on the Internet. If you attend the Annual Meeting, you may withdraw your proxy and vote your stock in person if you desire to do so.

We hope that you will take this opportunity to meet with us to discuss the results of operations of the Company during 2015.

Sincerely,

A handwritten signature in black ink that reads "Gary L. Coleman". The signature is written in a cursive style with a large, prominent "G" and "C".

*Gary L. Coleman*  
*Co-Chairman and Chief Executive Officer*

A handwritten signature in black ink that reads "Larry M. Hutchison". The signature is written in a cursive style with a large, prominent "L" and "H".

*Larry M. Hutchison*  
*Co-Chairman and Chief Executive Officer*



**Notice of Annual Meeting of Stockholders  
to be held May 12, 2016**

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To the Holders of Common Stock of  
TORCHMARK CORPORATION

The annual meeting of stockholders of Torchmark Corporation will be held at Company Headquarters, 3700 South Stonebridge Drive, McKinney, Texas 75070 on Thursday, May 12, 2016 at 10:00 a.m., Central Daylight Time. Directions to attend the annual meeting where you may vote in person can be found on our website: [www.torchmarkcorp.com](http://www.torchmarkcorp.com). The meeting will be conducted in accordance with Robert's Rules of Order and our Shareholder Rights Policy. You will be asked to:

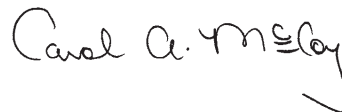
- (1) Elect the eleven nominees shown in the proxy statement as directors to serve for one-year terms or until their successors have been duly elected and qualified.
- (2) Ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company.
- (3) Approve on an advisory basis the compensation of our named executive officers, as described in the Compensation Discussion and Analysis, executive compensation tables and accompanying narrative in the Proxy Statement.
- (4) Transact any other business that properly comes before the meeting.

The Board of Directors recommends that you vote FOR Proposals (1), (2) and (3) above. These matters are more fully discussed in the accompanying proxy statement.

The close of business on Monday, March 14, 2016 is the record date for determining stockholders who are entitled to notice of and to vote at the annual meeting. You are requested to mark, date, sign, and return the enclosed form of proxy in the accompanying envelope, whether or not you expect to attend the annual meeting in person. You may also choose to vote your shares over the telephone or on the Internet. You may revoke your proxy at any time before it is voted at the meeting.

The annual meeting may be adjourned from time to time without further notice other than by an announcement at the meeting or at any adjournment. Any business described in this notice may be transacted at any adjourned meeting.

By Order of the Board of Directors



Carol A. McCoy  
*Vice President, Associate Counsel & Corporate Secretary*

McKinney, Texas  
March 23, 2016

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 12, 2016: The Company's Proxy Statement and 2015 Annual Report are available at: <http://www.torchmarkcorp.com/investors/annualreports>.**



## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	1
EXECUTIVE COMPENSATION .....	1
CORPORATE GOVERNANCE .....	1
MEETING ACTIONS .....	1
<b>PRINCIPAL STOCKHOLDERS</b> .....	2
<b>PROPOSAL NUMBER 1 – ELECTION OF DIRECTORS</b> .....	3
PROFILES OF DIRECTOR NOMINEES .....	3
<b>PROPOSAL NUMBER 2 – APPROVAL OF AUDITORS</b> .....	6
<b>PROPOSAL NUMBER 3 – ADVISORY VOTE ON EXECUTIVE COMPENSATION</b> .....	6
<b>OTHER BUSINESS</b> .....	7
<b>INFORMATION REGARDING DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS</b> .....	8
EXECUTIVE OFFICERS .....	8
STOCK OWNERSHIP .....	9
<b>CORPORATE GOVERNANCE</b> .....	11
DIRECTOR INDEPENDENCE DETERMINATIONS .....	11
BOARD LEADERSHIP STRUCTURE .....	11
BOARD’S ROLE IN RISK OVERSIGHT .....	11
EXECUTIVE SESSIONS OF THE BOARD AND COMMUNICATION WITH THE BOARD OF DIRECTORS .....	12
GOVERNANCE GUIDELINES AND CODES OF ETHICS .....	12
COMMITTEES OF THE BOARD OF DIRECTORS .....	12
RISK ASSESSMENT OF COMPENSATION POLICIES .....	14
SUCCESSION PLANNING .....	14
DIRECTOR QUALIFICATION STANDARDS .....	15
DIRECTOR IDENTIFICATION AND EVALUATION PROCEDURES .....	15
PROCEDURES FOR DIRECTOR NOMINATIONS BY STOCKHOLDERS .....	16
BOARD AND ANNUAL SHAREHOLDER MEETING ATTENDANCE .....	16
SUSTAINABLE BUSINESS PRACTICES .....	16
<b>EXECUTIVE COMPENSATION – COMPENSATION DISCUSSION AND ANALYSIS</b> .....	17
EXECUTIVE SUMMARY .....	17
COMPENSATION PHILOSOPHY .....	17
ROLES IN COMPENSATION DECISIONS .....	17
SETTING EXECUTIVE COMPENSATION .....	18
ASSESSMENT OF 2015 ADVISORY VOTE ON EXECUTIVE COMPENSATION .....	19
ELEMENTS OF COMPENSATION .....	19
<i>Base Salaries</i> .....	19
<i>Annual Cash Bonuses</i> .....	19
<i>Long Term Equity Incentives</i> .....	20
<i>Stock Ownership/Retention Guidelines</i> .....	21
<i>Retirement and Other Benefits</i> .....	22
<i>Savings Plans</i> .....	22
<i>Deferred Compensation Plan</i> .....	22
<i>Retirement Life Insurance Agreements</i> .....	22
<i>Perquisites and Personal Benefits</i> .....	23

TERMINATION OF EMPLOYMENT AND CHANGE IN CONTROL.....	23
CLAWBACK PROVISIONS.....	23
TAX AND ACCOUNTING IMPLICATIONS OF COMPENSATION.....	24
COMPENSATION COMMITTEE REPORT.....	25
SUMMARY COMPENSATION TABLE.....	25
2015 GRANTS OF PLAN-BASED AWARDS.....	27
OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2015.....	28
OPTION EXERCISES AND STOCK VESTED DURING FISCAL YEAR ENDED DECEMBER 31, 2015.....	30
PENSION BENEFITS AT DECEMBER 31, 2015.....	31
POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL.....	32
STOCK OPTIONS AND TERMINATION OF EMPLOYMENT.....	32
RESTRICTED STOCK AND TERMINATION OF EMPLOYMENT.....	33
PERFORMANCE SHARES AND TERMINATION OF EMPLOYMENT.....	34
RETIREMENT LIFE INSURANCE AGREEMENTS.....	34
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN.....	35
CHANGE-IN-CONTROL -STOCK OPTIONS, RESTRICTED STOCK AND PERFORMANCE SHARE AWARDS.....	35
2015 DIRECTOR COMPENSATION.....	37
DIRECTOR COMPENSATION PHILOSOPHY.....	37
PAYMENTS TO DIRECTORS.....	37
RELATED PARTY TRANSACTION POLICY AND TRANSACTIONS.....	38
SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE.....	38
AUDIT COMMITTEE REPORT.....	40
PRINCIPAL ACCOUNTING FIRM FEES.....	41
PRE-APPROVAL POLICY FOR ACCOUNTING FEES.....	41
PROCEDURAL MATTERS.....	42
SOLICITATION OF PROXIES.....	42
RECORD DATE, VOTING STOCK AND QUORUM.....	42
REQUIRED VOTE ON PROPOSALS.....	42
MISCELLANEOUS INFORMATION.....	43
PROPOSALS OF STOCKHOLDERS.....	43
GENERAL.....	43

## PROXY STATEMENT

### EXECUTIVE SUMMARY

#### Executive Compensation

The compensation recommendations and decisions for 2015 of our management, the Compensation Committee, with the aid of its independent compensation consultant, Board Advisory, LLC, and the independent members of the Board, with respect to the persons who served as Co-Chief Executive Officers during 2015, are summarized in the separate executive summary of Compensation Discussion and Analysis on page 17 of this Proxy Statement.

#### Corporate Governance

Corporate governance remains a focus of our Board and Company management. In 2015, our efforts for improvements in corporate governance continued, led by the Co-Chairmen and Chief Executive Officers of the Company, our independent Lead Director and the Governance and Nominating Committee. The initial report under the Risk Management and Own Risk Solvency Assessment (ORSA) regulation was filed with state insurance regulators on behalf of the Company and its insurance subsidiaries in a process actively overseen by the senior management level Enterprise Risk Management Committee. Additional information about Corporate Governance is found on pages 11 through 16 of this Proxy Statement.

#### Meeting Actions

At Torchmark Corporation's 2016 Annual Meeting of Stockholders, you are being asked to:

- (1) Elect Directors – All eleven of our current directors are standing for re-election to a one-year term based upon a majority voting standard: Charles E. Adair, Marilyn A. Alexander, David L. Boren, Jane M. Buchan, Gary L. Coleman, Larry M. Hutchison, Robert W. Ingram, Lloyd W. Newton, Darren M. Rebelez, Lamar C. Smith and Paul J. Zucconi.

Information about the director nominees' qualifications and tenure on the Board is located on pages 3 to 5 of this Proxy Statement.

- (2) Approve Auditors – Deloitte and Touche, LLP, who have served as Torchmark Corporation's registered independent public accountants since 1999, are proposed to be ratified to continue in that role for 2016.
- (3) Advise on Executive Compensation – You are being asked to approve, on a non-binding advisory basis, the executive compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis, the various compensation tables and accompanying narrative compensation disclosures found on pages 17 to 36 of this Proxy Statement.

## PRINCIPAL STOCKHOLDERS

The following table lists all persons known to be beneficial owners of more than five percent of the Company's outstanding common stock as of December 31, 2015, as indicated from the most recent Schedule 13G filings with the Securities and Exchange Commission.

Name and Address	Number of Shares	Percent of Class
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, Pennsylvania 19355	9,743,034 (1)	7.89%
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street New York, New York 10055	6,924,870 (2)	5.6%

(1) The Vanguard Group, Inc. (Vanguard) reports the sole power to vote or direct the vote of 214,269 shares, the sole power to dispose of or direct the disposition of 9,513,078 shares and shared power to dispose or to direct the disposition of 229,956 shares. Vanguard Fiduciary Trust Company (VFTC), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 179,131 shares, or 0.14%, of the common stock outstanding of the Company as a result of its servicing as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd. ("VIA"), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 85,963 shares, or .06%, of the common stock outstanding of the Company as a result of its serving as investment manager of Australian investment offerings.

(2) BlackRock, Inc. reports the sole power to vote or direct the vote of 5,844,294 and the sole power to dispose or to direct the disposition of 6,924,870 shares. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the Company's common stock. No one person's interest in the common stock of the Company is more than 5% of the total outstanding common shares.



## PROPOSAL NUMBER 1

### Election of Directors

The Company's By-laws provide that there will be not less than seven nor more than fifteen directors with the exact number to be fixed by the Board of Directors. Effective April 24, 2014, the number of directors was set at eleven persons.

The Board of Directors proposes the election of Charles E. Adair, Marilyn A. Alexander, David L. Boren, Jane M. Buchan, Gary L. Coleman, Larry M. Hutchison, Robert W. Ingram, Lloyd W. Newton, Darren M. Rebelez, Lamar C. Smith and Paul J. Zucconi as directors, each to hold office for a one-year term, expiring at the close of the annual meeting of stockholders to be held in 2017 and until his or her successor is elected and qualified. Upon their re-nomination as directors, all directors tendered an irrevocable contingent resignation letter pursuant to the Company's Director Resignation Policy.

Non-officer directors first elected to the Board prior to April 28, 2005 must retire from the Board at the annual meeting of stockholders which immediately follows their 78th birthday. Non-officer directors first elected to the Board after April 28, 2005 must retire from the Board at the annual meeting of stockholders immediately following their 74th birthday. Directors who are employees/officers of the Company must retire from active service as directors at the annual meeting of stockholders immediately following their 70th birthday.

If any of the nominees becomes unavailable for election, the directors' proxies will vote for the election of any other person recommended by the Board unless the Board reduces the number of directors.

The Board recommends that the stockholders vote **FOR** the election of all the nominees.

#### Profiles of Director Nominees



##### **Charles E. Adair**

Independent Director

Chair, Governance and Nominating Committee

Current term expires in 2016

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Principal Occupation: Partner, Cordova Ventures, Montgomery, Alabama, a venture capital management company since December 1993.

He is also a director of Tech Data Corporation and of Rayonier Advanced Materials, Inc. He formerly served as a director of PSS World Medical, Inc. (2002-2013).

Mr. Adair brings to the Board extensive corporate governance experience developed from more than 20 years of experience as the former President and Chief Operating Officer of a NASDAQ-listed pharmaceutical and medical supplies distributor. Additionally, in his current role as a partner in a venture capital management company, he has served on both public and private company boards, participating in acquisitions, divestitures and debt and equity financings.

Director since  
April 2003

Age 68



##### **Marilyn A. Alexander**

Independent Director

Member, Audit Committee

Current term expires in 2016

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Principal occupation: Self-employed management consultant since November 2003 and Principal in Alexander & Friedman, LLC, Laguna Beach, California, a management consultancy practice focusing on business planning, brand strategy and development, communications, process and organizational issues since January 2006.

She also serves as a director of Tutor Perini Corporation and DCT Industrial Trust, Inc. Additionally, she is a member of the Board of Regents, Brandman University, Irvine, California and the Board of Governors, Chapman University, Orange, California.

Ms. Alexander contributes to the Board from her extensive expertise in finance, marketing and strategic planning based upon more than 35 years of experience at top corporations including Disneyland Resort where she was Senior Vice President and Chief Financial Officer, Walt Disney World Resort, Marriott Corporation and Towers Perrin as well as in her own consultancy practice.

Director since  
February 2013

Age 64



**David L. Boren**

Independent Director

Member, Governance and Nominating Committee

Current term expires in 2016

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Principal occupation: President of The University of Oklahoma, Norman, Oklahoma since November 1994.

He is also a director of Continental Resources, Inc. He formerly served as a director of AMR Corporation (1994-2011) and Texas Instruments, Inc. (1995-2011). Additionally, he serves as Chairman, Oklahoma Foundation for Excellence Board of Trustees (1984-Present) and as a Trustee for Bloomberg Family Foundation (2010-Present). He formerly served as Co-Chair, President’s Intelligence Advisory Board, U.S. Government (2009-2014).

Mr. Boren brings to the Board a diverse set of skills with a focus on governance, human resources and compensation issues from his experiences as an Oklahoma state legislator, a former Governor of and U.S. Senator from Oklahoma and his present position as the President of the University of Oklahoma, where he oversees 13,000 employees and an annual operating budget of \$1.6 billion.

Director since April 1996

Age 74



**Jane M. Buchan**

Independent Director

Member, Compensation Committee

Current term expires in 2016

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Principal Occupation: Chief Executive Officer and Managing Director of Pacific Alternative Asset Management Company, LLC, Irvine, California, an institutional fund of funds for pension plans of corporations, state governments and foreign retirement trusts, since March 2000.

She also serves as Chairwoman and Director of the Chartered Alternative Investment Association (CAIA) and as a Trustee of Reed College, Portland, Oregon and University of California Irvine Foundation.

Ms. Buchan’s 29 year career as an investment professional including experience as an analyst at J.P. Morgan Investment Management, various positions (including Director of Quantitative Analysis and Chief Investment Officer of Non-Directional Strategies) at Collins Associates, an institutional fund of funds and consulting firm, and as founder, Managing Director and CEO of Pacific Alternative Asset Management Company provides the Board with a broad range of investment management skills.

Director since October 2005

Age 52



**Gary L. Coleman**

Co-Chairman and Chief Executive Officer

Current term expires in 2016

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Principal occupation: Co-Chairman of the Company since April 2014 and Co-Chief Executive Officer since June 2012. (Formerly Executive Vice President and Chief Financial Officer of Company, September 1999-May 2012).

He is also a member of the Board of Directors, Texas Rangers Baseball Foundation.

Mr. Coleman’s 41 years of experience, which includes seven years at KPMG where he primarily served insurance clients and 33 years in various accounting, financial and investment positions at the Company and its subsidiaries, culminating in service as the Chief Financial Officer of the Company for 13 years, provides the Board with financial and operating perspectives from both management and independent accounting.

Director since August 2012

Age 63



**Larry M. Hutchison**

Co-Chairman and Chief Executive Officer

Current term expires in 2016

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Principal occupation: Co-Chairman of the Company since April 2014 and Co-Chief Executive Officer since June 2012. (Formerly Executive Vice President and General Counsel of the Company, September 1999-May 2012).

Mr. Hutchison contributes valuable legal, human resources, and governmental and industry relations perspectives to the Board from his 36 years of experience as an in-house corporate attorney and business executive, including six years at two different insurers prior to joining the Company and its subsidiaries as a staff attorney more than 30 years ago and culminating in 15 years of service as the General Counsel of the Company.

Director since August 2012

Age 62



**Robert W. Ingram**

Independent Director

Member, Governance and Nominating Committee

Current term expires in 2016

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Principal Occupation: Retired Accounting Educator. (Formerly Senior Associate Dean, 2004-May 2008, and Ross-Culverhouse Professor of Accounting in Culverhouse College of Commerce, University of Alabama, Tuscaloosa, Alabama, 2002-July 2009).

Mr. Ingram’s background of 32 years as an accounting educator at the undergraduate and graduate collegiate levels at four different universities and his experience as Director of the Culverhouse School of Accountancy and Senior Associate Dean of the Culverhouse College of Commerce at the University of Alabama provides the Board with extensive accounting and financial reporting expertise.

Director since October 2005

Age 67



**Lloyd W. Newton**

Independent Director

Lead Director

Current term expires in 2016

Member, Compensation Committee

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Principal Occupation: Consultant. (Formerly Executive Vice President of Pratt & Whitney Military Engines, a Division of United Technologies Corporation, East Hartford, Connecticut, a manufacturer of aircraft engines, gas turbines and space propulsion systems, August 2000-March 2006).

Director since April 2006

He is also a director of L-3 Communications Corp. and Milliken & Company. He formerly served as a director of Goodrich Corporation (2007-2012) and Sonoco Products Company (2008-2014).

Age 73

Mr. Newton's experiences as a retired U.S. Air Force General who served as Commander of Air Education and Training Command, where he was responsible for the recruitment, training and education of Air Force personnel, allow him to provide the Board with extensive human resources and management expertise. His work at Pratt & Whitney Military Engines after retiring from the Air Force furnishes an international sales and business development perspective to the Board.



**Darren M. Rebelez**

Independent Director

Chair, Compensation Committee

Current term expires in 2016

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Principal Occupation: President of International House of Pancakes, LLC (IHOP) of Glendale, California, a leading family dining brand with franchise locations throughout the United States and internationally, since May 2015. (Formerly Executive Vice President and Chief Operating Officer of 7-Eleven, Inc., Dallas, Texas, the world's largest convenience store chain, August 2007-October 2014).

Director since February 2010

He also serves as a director of Children of Fallen Patriots Foundation.

Age 50

Through his roles at IHOP and 7-Eleven, companies which also target the middle income market, Mr. Rebelez brings to the Board experience in store development, franchising, information technology and business transformation. His prior work at ExxonMobil and Thornton Oil Corporation provides the Board with expertise in merchandising, strategic planning, management and marketing.



**Lamar C. Smith**

Independent Director

Member, Audit Committee

Current term expires in 2016

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Principal Occupation: Retired Financial Services Executive. Director and majority owner of Coles Bay Capital LLC, Fort Worth, Texas, a holding company acquiring and operating other companies, since February 2013. (Formerly Owner and Chief Executive Officer, Vista Commercial Technologies, LLC, Fort Worth, Texas, a supplier of custom fabricated components for defense equipment, December 2011-December 2013; Chairman, January 1992-January 2007, and Chief Executive Officer, 1990-April 2007, of First Command Financial Services, Inc., Fort Worth, Texas, a financial planning company providing insurance, mutual funds and banking services to middle income families including current and former commissioned and non-commissioned military officers; Chairman of First Command Bank, a subsidiary of First Command Financial Services, Inc., May 2007 - September 2007).

Director since October 1999

He also serves as Chairman of Board of Hope Farm, Inc., Search Ministries, Inc. and Christian Prayer Breakfast of Fort Worth & Tarrant County, Inc.

Age 68

Mr. Smith's experiences during a 30 year career at First Command Financial Services, including seven years of service as its President and Chief Operating Officer and 15 years as its Chairman and Chief Executive Officer, permit him to furnish the Board with an extensive perspective on insurance marketing issues and all aspects of the operations of a large independent insurance and financial services agency.



**Paul J. Zucconi**

Independent Director

Chair, Audit Committee

Current term expires in 2016

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Principal occupation: Business Consultant, Plano, Texas, since January 2001.

Director since July 2002

He formerly served as a director of Affirmative Insurance Holdings, Inc. (2004-2015), American Beacon Funds (26 funds) (2008-2013) and Titanium Metals Corporation (2002-2012). He is a former member of the North Texas Board of Directors, National Kidney Foundation.

Age 75

Mr. Zucconi brings to the Board extensive experience in accounting, financial reporting and auditing (both internal and independent) from work as an internal auditor in the U.S. Air Force Auditor General's office and his 33 year career with KPMG, where he was a partner for 25 years and very active in professional practice areas with significant emphasis on financial services, including 17 years as a SEC Reviewing Partner. Since his retirement from KPMG in 2001, he has worked as a business consultant using his accounting expertise.

## PROPOSAL NUMBER 2

### Approval of Auditors

A proposal to ratify the appointment of the firm of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2016 will be presented to the stockholders at the Annual Meeting. Deloitte & Touche LLP served as the Company's independent registered public accounting firm, auditing the financial statements of the Company and its subsidiaries for the fiscal year ended December 31, 2015 and has served in this capacity since 1999. The Audit Committee of the Board has appointed Deloitte & Touche LLP to serve as the Company's independent registered public accounting firm for 2016 and has recommended that the stockholders ratify the appointment of Deloitte & Touche LLP for 2016.

A representative of Deloitte & Touche LLP is expected to be present at the meeting and available to respond to appropriate questions and, although the firm has indicated that no statement will be made, an opportunity for a statement will be provided.

If the stockholders do not ratify the appointment of Deloitte & Touche LLP, the selection of an independent registered public accounting firm will be reconsidered by the Audit Committee of the Board of Directors.

The Board recommends that stockholders vote **FOR** the proposal.

## PROPOSAL NUMBER 3

### Advisory Vote on Executive Compensation

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), enacted in July 2010, enables Company stockholders to vote to approve, on an advisory and non-binding basis, the compensation of the Company's named executive officers as disclosed in this Proxy Statement in accordance with SEC rules.

We are asking for stockholder approval of the compensation of our named executive officers, as disclosed on pages 17 to 36 of this Proxy Statement in accordance with SEC rules, which includes the disclosures under "Executive Compensation—Compensation Discussion and Analysis," the compensation tables and the related narrative compensation disclosures. This vote is not intended to address any specific item of compensation, but rather this vote relates to the overall compensation of our named executive officers and the compensation policies and practices described in this Proxy Statement.

The compensation of our executive officers is based on a philosophy that emphasizes and rewards the attainment of performance measures that, the Compensation Committee of the Board believes, promote the creation of long-term stockholder value and therefore align management's interests with the interests of long-term stockholders. As described more fully in the Compensation Discussion and Analysis, the mix of compensation elements, the terms of the annual Management Incentive Plan and the terms of long-term equity incentive awards are all designed to enable the Company to attract, motivate, reward and retain key executives while, at the same time, creating a close relationship between performance and compensation. The Compensation Committee believes that the design of the compensation program and the compensation of named executive officers under the program fulfill this objective. Stockholders are urged to read the section of this Proxy Statement entitled "Executive Compensation—Compensation Discussion and Analysis," for a detailed discussion of how our compensation policies and practices implement our compensation philosophy.

This vote is advisory and therefore not binding on the Company, the Board or the Compensation Committee of the Board. The Board and the Compensation Committee value the opinions of Company stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will consider those stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Accordingly, the Company is asking stockholders to approve the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders hereby approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2016 Annual Meeting of Stockholders pursuant to the executive compensation disclosure rules of the Securities and Exchange Commission, which disclosure includes the Compensation Discussion and Analysis, the compensation tables and related compensation disclosures."

### Recommendation of the Board

**The Board recommends that stockholders vote "FOR" advisory approval of the resolution set forth above.**

## **OTHER BUSINESS**

The directors are not aware of any other matters which may properly be and are likely to be brought before the Annual Meeting. If any other proper matters are brought before the Annual Meeting, the persons named in the proxy, or in the event no person is named, Gary L. Coleman and Larry M. Hutchison, will vote in accordance with their judgment on these matters.

## INFORMATION REGARDING DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS

### Executive Officers

The following table shows certain information concerning each person deemed to be an executive officer of the Company, except those persons also serving as directors. Each executive officer is appointed by the Board of the Company or its subsidiaries annually and serves at the pleasure of that board. There are no arrangements or understandings between any executive officer and any other person pursuant to which the officer was selected.

Name	Current Age	Principal Occupation and Business Experience for the Past Five Years <sup>(1)</sup>
Domenico Bertini	54	Executive Vice President of American Income since March 2015. (Senior Vice President of Field Operations of American Income September 2014 - March 2015; Vice President, Field Operations of American Income January 2011 - August 2014.)
Arvelia Bowie	58	Vice President and Director of Human Resources of Company since December 2006.
J. Matthew Darden	45	Executive Vice President-Innovations & Business Development of Company since October 2014. (Partner of Deloitte & Touche LLP August 2006 - October 2014).
Steven J. DiChiaro	49	President of Liberty since January 2015. (Executive Vice President and Chief Agency Officer of Liberty December 2011 - December 2014; State General Agent of American Income for the State of Colorado August 2008 - December 2011).
Steven K. Greer	43	President of American Income since January 2016. (State General Agent of American Income for the State of Texas May 2001 - December 2015).
Vern D. Herbel	58	Executive Vice President and Chief Administrative Officer of Company since April 2006. (Chief Executive Officer of United American July 2004 - February 2015; President of United American December 2011 - February 2015; Executive Vice President of Globe and American Income May 2002 - February 2015).
Bill E. Leavell	53	President of Globe since November 2013. (Senior Vice President of Globe August 2005 - November 2013).
Ben W. Lutek	57	Executive Vice President and Chief Actuary of Company since January 2013. (Vice President and Chief Actuary of Company August 2010 - January 2013).
Michael C. Majors	53	Vice President, Investor Relations of Company since May 2008; President of United American since March 2015.
Kenneth J. Matson	48	President of Family Heritage since March 2014. (Executive Vice President of Family Heritage November 2012 - March 2014; President of Family Heritage Marketing Corporation December 1990 - November 2012).
Carol A. McCoy	61	Vice President, Associate Counsel and Corporate Secretary of Company since April 2001.
James E. McPartland	49	Executive Vice President and Chief Information Officer of Company since November 2014. (Vice President, Information Systems Enterprise Planning & Analytics March 2013 - November 2014; Vice President, Applications March 2011 - March 2013; and Vice President, Patient Management Information Systems May 2007 - March 2011 of Tenet Healthcare Corporation, Dallas, Texas, an owner and operator of hospitals and ancillary health care facilities.)
R. Brian Mitchell	52	Executive Vice President and General Counsel of Company since June 2012; Senior Vice President of American Income, Globe, Liberty and United American since November 2006; Senior Vice President of Family Heritage since July 2015; General Counsel of American Income, Globe, Liberty and United American and Secretary of American Income and United American since June 2010; General Counsel of Family Heritage since July 2015; Secretary of Globe and Liberty since May 2012; Secretary of Family Heritage since July 2015.
W. Michael Pressley	64	Executive Vice President and Chief Investment Officer of Company since January 2013. (Vice President and Chief Investment Officer of Company April 2006 - January 2013).
Roger C. Smith	63	Chief Executive Officer of American Income since December 2003; Chief Executive Officer of Liberty since December 2011. (President of American Income June 2014 - January 2016 and December 2003 - December 2011; President of Liberty December 2011 - December 2014).
Frank M. Svoboda	54	Executive Vice President and Chief Financial Officer of Company since June 2012. (Vice President and Director of Tax of Company February 2005 - May 2012).

(1) Liberty, Globe, United American, American Income and Family Heritage, as used in this Proxy Statement, refer to Liberty National Life Insurance Company, Globe Life And Accident Insurance Company, United American Insurance Company, American Income Life Insurance Company and Family Heritage Life Insurance Company of America, subsidiaries of the Company.

## Stock Ownership

The following table shows certain information about stock ownership as of December 31, 2015 for the directors, nominees and executive officers of the Company, including shares with respect to which they have the right to acquire beneficial ownership on or prior to February 29, 2016.

Name and City of Residence	Company Common Stock or Options Beneficially Owned as of December 31, 2015 <sup>(1)</sup>	
	Directly <sup>(2)</sup>	Indirectly <sup>(3)</sup>
Charles E. Adair Montgomery, AL	42,718	0
Marilyn A. Alexander Laguna, Beach, CA	9,132	0
David L. Boren Norman, OK	13,026	0
Jane M. Buchan Newport Coast, CA	85,755	0
Gary L. Coleman Plano, TX	1,132,300	58,054
Larry M. Hutchison Duncanville, TX	1,010,182	44,390
Robert W. Ingram Gulf Breeze, FL	27,352	0
Lloyd W. Newton Tampa, FL	33,092	0
Darren M. Rebelez Glendale, CA	18,847	0
Lamar C. Smith Fort Worth, TX	67,863	0
Paul J. Zucconi Plano, TX	48,279	0
Domenico Bertini Thousand Oaks, CA	13,500	0
Arvelia Bowie Little Elm, TX	66,750	494
J. Matthew Darden Dallas, TX	0	0
Steven J. DiChiaro Frisco, TX	60,750	1,131
Steven K. Greer The Woodlands, TX	2,043	0
Vern D. Herbel McKinney, TX	315,600	145,134
Bill E. Leavell Prosper, TX	100,924	3,098
Ben W. Lutek McKinney, TX	231,300	32,825
Michael C. Majors Allen, TX	29,256	0
Kenneth J. Matson McKinney, TX	26,250	0
Carol A. McCoy Plano, TX	175,078	17,077

**Company Common Stock or  
Options Beneficially Owned as of  
December 31, 2015<sup>(1)</sup>**

Name and City of Residence	Directly <sup>(2)</sup>	Indirectly <sup>(3)</sup>
James E. McPartland Allen, TX	0	0
R. Brian Mitchell McKinney, TX	44,098	7,615
W. Michael Pressley Garland, TX	166,650	1,220
Roger C. Smith Frisco, TX	462,677	2,472
Frank M. Svoboda Grapevine, TX	304,164	1,982
All Directors, Nominees and Executive Officers as a group: <sup>(4)</sup>	4,487,585	315,492

(1) No individual director, nominee or executive officer beneficially owns 1% or more of the common stock of the Company.

(2) Includes: for Adair, 29,411 shares; for Buchan, 25,167 shares; for Coleman, 547,500 shares; for Hutchison, 547,500 shares; for Rebelez, 5,269 shares; for Bertini, 13,500 shares; for Bowie, 66,750 shares; for DiChiaro, 54,000 shares; for Herbel, 288,750 shares; for Leavell, 100,650 shares; for Lutek, 226,500 shares; for Majors, 27,531 shares; for Matson, 26,250 shares; for McCoy, 83,250 shares; for Mitchell, 28,125 shares; for Pressley, 131,250 shares; for Roger Smith, 444,222 shares; for Svoboda, 252,000 shares and for all directors, executive officers and nominees as a group, 2,452,833 shares, that are subject to presently exercisable Company stock options.

(3) Indirect beneficial ownership includes shares (a) owned by the director, executive officer or spouse as trustee of a trust or executor of an estate, (b) held in a trust in which the director, executive officer or a family member living in his home has a beneficial interest, (c) owned by the spouse or a family member living in the director's, executive officer's or nominee's home or (d) owned by the director or executive officer in a personal corporation or limited partnership. Indirect beneficial ownership also includes approximately 58,054 shares, 44,390 shares, 494 shares, 1,131 shares, 41,298 shares, 3,098 shares, 17,077 shares, 7,615 shares, 1,220 shares, 2,472 shares and 1,532 shares calculated based upon conversion of stock unit balances held in the accounts of Coleman, Hutchison, Bowie, DiChiaro, Herbel, Leavell, McCoy, Mitchell, Pressley, Roger Smith and Svoboda, respectively, in the Company Savings and Investment Plan to shares. Indirect ownership for Mr. Herbel also includes 51,918 shares held in his living trust and 51,918 shares held in his spouse's living trust. Indirect ownership for Mr. Svoboda also includes 450 shares held as custodian for his minor children. Indirect ownership for Mr. Lutek includes 32,825 shares held in his family living trust.

(4) All directors, nominees and executive officers, as a group, beneficially own 3.76% of the common stock of the Company.



## CORPORATE GOVERNANCE

### Director Independence Determinations

The New York Stock Exchange (NYSE) rules require that the Company have a majority of independent directors. The rules provide that no director will qualify as “independent” unless the Board of Directors affirmatively determines that the director has no material relationship with the Company and its subsidiaries (collectively, the Company), either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. In order to assist in the making of these determinations, the Board adopted the categorical standards prescribed by the NYSE as well as eleven additional categorical standards to assist it in making determinations of independence. All directors other than those deemed *not* “independent” under these standards will be deemed to be “independent” upon a Board determination.

These independence standards are available on the Company’s website by going to [www.torchmarkcorp.com](http://www.torchmarkcorp.com) and clicking on the Investors page. They are located under the Board of Directors heading at Director Independence Criteria. You may also obtain a printed copy of the independence standards at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

Based on these categorical standards and after evaluation of the directors’ responses to an annual questionnaire, which includes questions based on the above-described independence criteria as well as any related party transactions disclosable pursuant to Item 404(a) of SEC Regulation S-K, the Governance and Nominating Committee makes recommendations to the Board of Directors regarding director independence. After review of such recommendations, the Board determined on February 24, 2015 and February 23, 2016 that the following directors continue to meet the categorical standards set by the Board and are “independent”: Charles E. Adair, Marilyn A. Alexander, David L. Boren, Jane M. Buchan, Robert W. Ingram, Lloyd W. Newton, Darren M. Rebelez, Lamar C. Smith and Paul J. Zucconi. The Board determined that and Gary L. Coleman and Larry M. Hutchison (as Company employees) were not considered “independent”.

### Board Leadership Structure

For a number of years, the Company has chosen to operate with the roles of Chairman of the Board and Chief Executive Officer combined, believing that it could operate effectively with these roles combined while continuing to provide the appropriate level of corporate governance for shareholders, policyholders, regulators and our other constituent groups. Although the Board is not currently chaired by an independent director, the Board has conducted frequent executive sessions of only the independent directors for a number of years, with all of such executive sessions presided over by a lead independent director. On January 26, 2010, the Board amended the Corporate Governance Guidelines in order to formally provide for the position of a lead independent director (the Lead Director), to define the qualifications and duties of that Lead Director and to elect a director to serve as the Lead Director. As defined in Section H. of the Corporate Governance Guidelines, the Lead Director is elected annually by and from the independent directors then serving on the Board; provided, however, that a director must have served a minimum of one year in order to qualify for election as the Lead Director and that a person may not serve as Lead Director for more than three one-year terms in succession without express agreement of the Board. The Lead Director has duties, which include, but are not limited to: (a) coordinating the scheduling of and preparation for Board meetings and executive sessions of the Board; (b) leading Board meetings if neither of the Co-Chairmen is present and leading all executive sessions of the independent directors; (c) acting as the principal liaison between the independent directors and the Co-Chairmen and Chief Executive Officers; (d) advising the independent committee chairs in fulfilling their roles and responsibilities; (e) defining the scope, quality and timeliness of the information flow between management and the Board; (f) leading the process of employing, evaluating and compensating the Co-Chairmen and Chief Executive Officers (g) coordinating Co-Chairman and Chief Executive Officer, director and Board performance evaluations; (h) approving retention of Board consultants; (i) having authority to call meetings of the independent directors and (j) being available for consultation and communication with shareowners upon request. Lloyd W. Newton was elected as Lead Director in April 2015 to serve for a term expiring May 12, 2016.

### Board’s Role in Risk Oversight

While the Audit Committee regularly monitors and reports to the Board on the Company’s major financial risk exposures and the Compensation Committee examines and reports to the Board on the Company’s compensation programs and policies to ensure that they do not operate to incent Company executives to take risks which would adversely affect the Company, the Company’s Board has determined that overall responsibility for oversight of enterprise risk management at the Company is that of the entire Board. Accordingly, the Board has not chosen to establish a separately designated risk committee of the Board. Instead, the full Board oversees risk by regularly monitoring, receiving and reviewing written and oral reports from and interacting with a senior management level Enterprise Risk Management Committee (ERM Committee). The ERM Committee is chaired by the Company’s General Counsel and is currently comprised of: the Company’s Chief Financial Officer; General Counsel; Chief Administrative Officer; Chief Actuary; Chief Investment Officer; Chief Information Officer; Chief Information Security Officer;

Executive Vice President-Innovations & Business Development; Vice President, Investor Relations; Director of Internal Audit; Director of Human Resources; the designated ORSA liaison for the Company and the Presidents/Chief Executive Officers of the principal insurance subsidiaries. The Company's Co-Chairmen and Chief Executive Officers also participate from time to time as non-voting ex officio members of the ERM Committee. The Chair of the Audit Committee serves as the Board's official liaison to the ERM Committee and attends all ERM Committee meetings. Other members of the Board are encouraged to attend and participate in meetings of the ERM Committee. The ERM Committee operates within and functions as a part of the enterprise risk management governance structure of the Company together with the Board, the various Subsidiary Risk Committees at the insurance companies and the Company's Risk Management Team, in order to comply with all legal and regulatory requirements related to enterprise risk management from time to time imposed on the Company, including the Risk Management and Own Risk Solvency Assessment (ORSA) regulation. The ERM Committee meets on a regularly scheduled basis to identify, evaluate and prioritize the various risks faced by the Company and its insurance subsidiaries, including, but not limited to, strategic, financial, investment, credit, market, liquidity, operational, legal and regulatory, compliance, information, technological, human capital, fraud, reputational and external risks, and to consider the mitigation of such risks. Directors may submit matters and issues at any time to be considered and reported on by the ERM Committee. A large part of the ERM Committee's focus in its four meetings held in 2015 was on ORSA, including multiple status updates leading to the filing of the Company's first ORSA Report with its lead state regulator, the Nebraska Department of Insurance, in November 2015; an emerging risks survey; high level risk assessment; development of a Risk Appetite Statement and risk tolerances; and other work by the ERM Committee necessary to the completion of the ORSA Report and development of ongoing ORSA processes. Additionally, in 2015, the ERM Committee received updates on COSO 2013 implementation and the Company's Security Steering Committee as well as conducted focused examinations of regulatory risk assessment and changes in the Company's risk profile over the next five to ten years. The ERM Committee reported on all of their work to the full Board.

### **Executive Sessions of the Board and Communications with the Board of Directors**

The Company's independent directors have met in regularly scheduled executive sessions without any participation by Company officers or employee directors since October 2002. These executive sessions are currently held either before or after the Board's regularly scheduled, physical meetings. Additional executive sessions can be scheduled at the request of the independent directors.

The Lead Director presided over the executive sessions during 2015. If that director had not been present, another independent director would have been chosen by the independent directors to preside.

Security holders of the Company and other interested parties may communicate with the full Board of Directors, the Lead Director, the independent directors or a specific director or directors by writing to them in care of the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

### **Governance Guidelines and Codes of Ethics**

The Company has adopted Corporate Governance Guidelines, a Code of Ethics for the Co-CEOs and Senior Financial Officers, and a Code of Business Conduct and Ethics for its directors, officers, employees and contractors, all of which comply with the requirements of securities law, applicable regulations and New York Stock Exchange rules. These documents are available on the Company's website by going to [www.torchmarkcorp.com](http://www.torchmarkcorp.com) and clicking on the Investors page. They are located under the Corporate Governance heading. Printed copies of these documents may be obtained at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

### **Committees of the Board of Directors**

The Board has the following standing committees more fully described below: Audit, Compensation, and Governance and Nominating. The Board may also, from time to time, establish additional special committees.

**Audit Committee**—The Audit Committee is currently comprised of Messrs. Zucconi (2015 Chair) and Lamar Smith and Ms. Alexander. Mr. Ingram served on the Audit Committee from January through April 2015, at which time he rotated off the committee and Lamar Smith joined the committee. All members of the Audit Committee are or were, at the time of their service, independent under the definitions contained in the SEC and NYSE rules and fully complied with SEC rules and regulations.

The Audit Committee reviews and discusses with management and the independent registered public accounting firm the Company's audited financial statements and quarterly financial statements prior to filing, the Company's earnings press releases and financial information and earnings guidance, and the Company's policies for financial risk assessment and management; selects, appoints, reviews and, if necessary, discharges the independent auditors; reviews the scope of the independent auditors' audit plan and pre-approves audit and non-audit services; reviews the adequacy of the Company's system of internal controls over financial reporting; periodically reviews pending litigation and regulatory matters; reviews the performance of the Company's

internal audit function; reviews related party disclosures to assure that they are adequately disclosed in the Company's financial statements and other SEC filings; reviews and appropriately treats complaints and concerns regarding accounting, internal accounting controls or auditing matters pursuant to a confidential "whistleblower" policy; discusses the Company's major financial risk exposures and the steps that management has taken to monitor and control such exposures; and monitors and periodically reports to the Board regarding management's enterprise risk management processes. Additionally, the Audit Committee meets with the Company's independent auditors and internal auditors both with and without management present at each of its physically-held meetings. The Audit Committee also evaluates the Company's internal auditors and performs an annual evaluation of the independent auditor utilizing the external auditor evaluation tool developed by the Center for Audit Quality and several other governance organizations. The Audit Committee met nine times in 2015 (four physical meetings and five teleconference meetings).

The Audit Committee has a written charter, which is annually reviewed and updated if necessary. The committee charter is posted on the Company's website and can be viewed by going to [www.torchmarkcorp.com](http://www.torchmarkcorp.com) and clicking on the Investors page. The committee charter is located under the Board of Directors heading. You may also obtain a printed copy of the committee charter at no charge by writing the office of the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

**Compensation Committee**—The Compensation Committee is currently comprised of Messrs. Rebelez (Chair since May 2015) and Newton (Chair, January-April 2015) and Ms. Buchan. Mr. Adair served on the Compensation Committee from January through April 2015 before he rotated off the committee and Ms. Buchan joined the committee. All members of the Compensation Committee are or were, at the time of their service, independent under the rules of the NYSE (including the NYSE's additional independence requirements for Compensation Committee members), Section 16 of the Securities Exchange Act of 1934 and Section 162(m) of the Internal Revenue Code.

The Compensation Committee determines the Company's stated general compensation philosophy and strategy; reviews and determines the compensation of senior management of the Company and its subsidiaries at certain levels, including establishing goals and objectives for the Co-Chief Executive Officers' compensation, evaluating each Co-Chief Executive Officer's performance in light thereof, and recommending their total compensation to the independent directors for their approval; establishes the annual bonus pool; administers the Company's Section 162(m) bonus plan, retirement and other employee benefit plans and equity incentive plans; makes recommendations to the Board with respect to executive compensation, incentive compensation plans and equity-based plans; reviews and recommends to the Board non-employee director compensation; reviews and discusses with Company management the Compensation Discussion and Analysis section and recommends to the Board that it be included in the annual Proxy Statement; and is responsible for the preparation of the Compensation Committee Report in the annual Proxy Statement. The Compensation Committee is authorized to retain its own independent compensation consultant and has retained Board Advisory, LLC as its independent compensation consultant. The Compensation Committee receives input and recommendations from the Co-Chief Executive Officers and other members of Company management on compensation matters more fully described in the Compensation Discussion and Analysis section of this Proxy Statement and delegates certain day-to-day administrative functions for implementation of its compensation decisions and programs to Company officers. The Compensation Committee held five physical meetings in 2015.

The Compensation Committee has a written charter, which is reviewed annually and updated if necessary. A copy of this charter is available on the Company's website by going to [www.torchmarkcorp.com](http://www.torchmarkcorp.com) and clicking on the Investors page. The committee charter is located under the Board of Directors heading. You may also obtain a printed copy of the committee charter at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

**Compensation Committee Interlocks and Insider Participation**—The Company has no compensation committee interlocks or insider participation as defined by Item 407(e)(4) of SEC Regulation S-K.

**Governance and Nominating Committee**—The Governance and Nominating Committee is currently comprised of Messrs. Adair (Chair since May 2015), Boren and Ingram. Ms. Buchan (Chair, January-April 2015) rotated off the Committee in May 2015 and was replaced by Mr. Ingram. All members of the Governance and Nominating Committee are or were, at the time of their service, independent under the NYSE rules.

The Governance and Nominating Committee has the following duties and responsibilities: receiving and evaluating the names and qualifications of potential director candidates; identifying individuals qualified to become Board members consistent with criteria set by the Board and recommending to the Board director nominees; recommending the directors to be appointed to Board committees, the committee chairs and the Lead Director; developing and recommending to the Board a set of governance guidelines and codes of business conduct and ethics (Governance Guidelines) for the Company; monitoring and annually evaluating how effectively the Board and Company have implemented the Governance Guidelines; overseeing the development and monitoring the implementation of succession planning, both long term and emergency, for the Board, the Co-Chief Executive Officers and Company management; and overseeing evaluations of the performance of the Board and Co-Chief Executive Officers

as coordinated by the Lead Director and monitoring the Co-Chief Executive Officers' evaluations of senior Company management. The Governance and Nominating Committee held four physical meetings in 2015.

The Governance and Nominating Committee will receive, evaluate and consider the names and qualifications of any potential director candidates from all sources, including stockholders of the Company. Recommendations of potential director candidates and supporting material may be directed to the Governance and Nominating Committee in care of the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070. Additionally, any Company stockholder entitled to vote at a stockholders meeting in which election of directors will be considered may use the director nomination procedures contained in Article III, Section 2 of the Company's By-Laws, which are described on page 16 of this Proxy Statement under **Procedures for Director Nominations by Stockholders**.

The Governance and Nominating Committee has a written charter, which is reviewed annually and updated if necessary. A copy of this charter is available on the Company's website by going to [www.torchmarkcorp.com](http://www.torchmarkcorp.com) and clicking on the Investors page. The committee charter is located under the Board of Directors heading. You may also obtain a printed copy of the committee charter at no charge by writing to the office of the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

### **Risk Assessment of Compensation Policies and Practices**

The Compensation Committee, with input from its independent compensation consultant, has reviewed an inventory of the Company's compensation programs, plans and practices applicable to all of its employees as they relate to risk management and risk-taking initiatives to ascertain if they serve to incent risks which are "reasonably likely to have a material adverse effect" on the Company. As a result of this process, the Compensation Committee has concluded and informed the Board that any risks arising from these programs, plans and practices are not reasonably likely to have a material adverse effect on the Company.

In connection with its evaluation of risks which may rise to the level of impacting the Company's financial statements and financial reporting, the Audit Committee has also considered the Company's employee compensation programs, plans and practices as they may serve to incent risk-taking behavior impacting the Company's financial statements and financial reporting. In the course of this examination, the Audit Committee has determined that there were no compensation risks which would rise to the level of materially adversely impacting the Company's financial statements and financial reporting.

### **Succession Planning**

The Board is responsible for the succession planning process for both the Chief Executive Officer position and directors. The Board reviews and regularly discusses with the Co-Chief Executive Officers potential candidates which the Co-Chief Executive Officers have identified from among senior management as possible successors for the Chief Executive Officer position. The Board and the Co-Chief Executive Officers also have the authority to examine persons outside of the Company organization as a part of the process to ultimately select a successor to a Chief Executive Officer. The Board may determine to retain outside professionals including consultants or search firms to assist in the Chief Executive Officer succession planning process. Candidates to succeed a Chief Executive Officer upon his retirement as well as in the event of any emergency involving, or the incapacity of, a Chief Executive Officer are considered and after discussion at the Board level, a successor to the Chief Executive Officer is determined. A written Emergency CEO Succession Plan has been developed, approved by the Board and is currently in place. A similar process is followed by the Co-Chief Executive Officers, consulting with senior management, to identify successors to the Co-Chief Executive Officers' direct reports (Chief Financial Officer, Chief Administrative Officer, Chief Investment Officer, Chief Actuary, Chief Legal Officer, Chief Information Officer, Executive Vice President-Innovations & Business Development, Director of Human Resources and the heads of the principal insurance subsidiaries). These potential successors are discussed with the Board and the Board's concurrence is obtained on the designated successors. A more formalized structure for identifying immediate and long-term successors for key personnel at all levels of the Company and its subsidiaries has been established in the form of a written Company-wide long term succession plan and implemented. Both the Emergency CEO Succession Plan and the Company-wide long term succession plan are reviewed at least annually by the Governance and Nominating Committee and discussed by the full Board in executive session.

Succession planning for directors is a principal focus of the Governance and Nominating Committee as well as the full Board. Using the standards for director independence set forth by the NYSE and the additional categorical standards adopted by the Board, the director qualification standards in the Corporate Governance Guidelines, and the Board-adopted statements on Qualifications of Directors and Procedures for Identifying and Evaluating Director Candidates, all of which are set forth in this Proxy Statement, as the basis for beginning the director succession process, the Governance and Nominating Committee and the Board conduct extensive discussions regarding the qualities and characteristics to be sought in a successor to a departing director or in a nominee to fill a newly created directorship. They evaluate potential director candidates from all sources, including shareholders and other security holders of the Company, working to develop a broad-based, inclusive pool of potential director candidates and may retain consultants or professional director search firms to assist them in the process. After compiling a list of

potential director candidates, a search committee, comprised of members of the Board, including independent directors, the Co-Chief Executive Officers and the Lead Director, meets with these candidates and makes recommendations for successor directors to the Governance and Nominating Committee and the full Board for decision.

### **Director Qualification Standards**

The Company's Corporate Governance Guidelines discuss the following director qualification standards:

1. Board Membership Criteria, including independence, limits on the number of boards on which a director serves, a former chief executive officer's Board membership and directors who change their present job responsibilities;
2. Size of the Board;
3. Term Limits;
4. Retirement Policy; and
5. Selection of the Chairman of the Board.

Additionally, the Governance and Nominating Committee and the Board have adopted a statement on Qualifications of Directors containing factors which should at a minimum be considered in the nomination or appointment of Board members.

More detail regarding these director qualification standards can be found in the Corporate Governance Guidelines by going to the Company's website at [www.torchmarkcorp.com](http://www.torchmarkcorp.com) and clicking on the Investors page. The Corporate Governance Guidelines and the Director Qualification Standards are located under the Corporate Governance and Board of Directors headings, respectively. Printed copies of the Corporate Governance Guidelines as well as the Director Qualification Standards may be obtained at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

One of the factors considered by the Board in the nomination or appointment of members of the Board, as set out in the Board-adopted Director Qualification Standards, deals with diversity. The Company does not have representational directors; the director nomination and selection process involves consideration of the Board as a collective group. The Board as an entirety should reflect appropriate diversity, and such diversity encompasses a wide range of personal and professional experiences, backgrounds, skill sets, age, gender, race, national origin and other demographic characteristics. The Governance and Nominating Committee has the primary responsibility to see that this and all of the other Qualifications of Directors are implemented. As a part of the annual self-evaluation process, one of a number of factors that the Board and the Nominating and Governance Committee consider is whether the Board as a whole reflects appropriate diversity. In its process to evaluate potential director candidates, the Governance and Nominating Committee also examines broadly defined diversity in determining and recommending director nominees.

### **Director Identification and Evaluation Procedures**

The Governance and Nominating Committee and the Board utilize the following procedures for identifying and evaluating director candidates:

1. The Board identifies the need (a) to add a new Board member meeting certain criteria or (b) to fill a vacancy on the Board.
2. The Governance and Nominating Committee initiates a search, working with Company staff support and seeking input from other Board members and senior Company management. The Governance and Nominating Committee may also engage a professional search firm or other consultants to assist in identifying director candidates if necessary.
3. In making its selection, the Governance and Nominating Committee will evaluate candidates proposed by shareholders under criteria similar to those used for the evaluation of other candidates.
4. Candidates that will satisfy any specified criteria and otherwise qualify for membership on the Board are identified and presented to the Governance and Nominating Committee for consideration.
5. The Lead Director, the Co-CEOs and at least one member of the Governance and Nominating Committee will interview prospective candidate(s).
6. The Governance and Nominating Committee meets to consider and approve final candidate(s).
7. The Governance and Nominating Committee seeks full Board endorsement of selected candidate.

## **Procedures for Director Nominations by Stockholders**

Article III, Section 2 of the Company's By-Laws provides for procedures pursuant to which Company stockholders may nominate candidates for election as a director of the Company. To provide timely notice of a director nomination for an annual meeting of stockholders, the stockholder's notice must be received at the principal offices of the Company (3700 South Stonebridge Drive, McKinney, Texas 75070) not later than the close of business on the 75<sup>th</sup> day or earlier than the 120<sup>th</sup> day prior to the first anniversary of the preceding year's annual meeting and must contain the information specified in the Company's By-Laws.

You may find the Company's By-Laws by going to the Company's website at [www.torchmarkcorp.com](http://www.torchmarkcorp.com) and clicking on the Investors page. The Company By-Laws are located under the Corporate Governance heading. Printed copies of the By-Laws may also be obtained at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

## **Board and Annual Shareholder Meeting Attendance**

During 2015, the Board held four physical meetings and also acted one time by unanimous written consent. In 2015, all of the directors attended at least 75% of the meetings of the Board and the committees on which they served.

The Company has a long-standing policy that the members of its Board be present at the Annual Meeting of Stockholders, unless they have an emergency, illness or an unavoidable conflict. At the April 30, 2015 Annual Meeting of Stockholders, all directors were present.

## **Sustainable Business Practices**

The Company's Board and its management recognize the importance of sustainability and believe the Company has a responsibility to utilize natural resources as efficiently as possible. A variety of conservation initiatives have been implemented through upgrades to the Company's home office facilities, information technology systems and a general focus on increasing employee awareness. Sound sustainability practices are an important component of both good corporate citizenship and sound fiscal management.

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

#### Executive Summary

The Company's financial performance during 2015 was good. Earnings per share from continuing operations increased 5.4% over the previous year and premium revenue grew at a higher rate than expected, while underwriting margins and return on equity were less than anticipated due to higher than expected claims. Overall performance, as measured relative to the performance framework in the annual bonus plan, increased from 78.9% to 96.7%. Consistent with our pay for performance philosophy, the Compensation Committee reflected the Company's performance during 2015 in annual bonus awards made to the Company's executive management.<sup>1</sup> Annual bonuses for the continuing officers in this group increased by 6.2% from 2014. Bonuses for the Co-CEOs increased by 28% from 2014. Long-term awards made in early 2016, based on 2015 performance, were down 2% from the 2015 awards, based on 2014 performance, on a share equivalent basis.<sup>2</sup>

#### Compensation Philosophy

The Company's executive compensation philosophy is consistent with our business philosophy. Our compensation philosophy emphasizes and rewards consistent, steady growth in earnings per share, underwriting income per share and return on equity, which we believe provides long-term value to our stockholders and therefore aligns management's interests with our shareholders' interests. Our compensation philosophy also considers competitive remuneration practices in the insurance and financial services sector as we seek to attract, motivate, reward and retain our key executives at both the holding company and subsidiary levels. Our philosophy has historically resulted in executive compensation at the Company which generally emphasizes equity and equity-linked compensation while placing less emphasis on cash compensation.

#### Roles in Compensation Decisions

The Compensation Committee of our Board is responsible for determining the compensation of our senior executives at the Company and its subsidiaries in accordance with our stated compensation philosophy and strategy. With certain input from the Co-CEOs and other members of senior management and the assistance of its independent compensation consultant, the Compensation Committee sets the total compensation in various forms the executive management team (including named executive officers—i.e., the Co-CEOs, Chief Financial Officer (CFO) and the other executives listed in the compensation tables in this Proxy Statement, collectively, the NEOs) receives. The Compensation Committee ensures that the mix of compensation among these various elements is appropriately balanced and also considers the retirement and other benefits available to our NEOs in order to ensure that their compensation is fair, reasonable and competitive. Our mix of pay elements is based on the principle that the Company's business is inherently long-term in nature and not generally subject to dramatic year over year variances in performance. Accordingly, our pay plans emphasize long-term equity accumulation (e.g., option grants), longevity (e.g., pension), consistent financial performance (e.g., performance shares<sup>3</sup>) and, on a very targeted basis, stability (e.g., restricted stock grants).

Company management, including our Co-CEOs, CFO, General Counsel and the Vice President and Director of Human Resources, support the Compensation Committee, attend portions of its meetings at its request, make recommendations to the Compensation Committee and perform various day-to-day administrative functions on behalf of the Compensation Committee in connection with our cash and equity compensation programs and plans. Specifically, our Co-CEOs provide input to assess the effectiveness of the existing compensation philosophy and programs, assist in the design of new compensation programs and the modification of existing programs and make specific recommendations regarding the potential bonus awards and the amount and mix of the cash and equity compensation to be paid to certain levels of officers, including all NEOs except themselves.

The Compensation Committee has the authority to retain outside advisors, experts and other professionals to assist it. In 2013, the Compensation Committee retained Board Advisory, LLC, an independent compensation consulting firm. Neither Board Advisory nor any of its affiliates provides any consulting services to the Company. In 2015, at the request of the Compensation Committee, Board Advisory conducted a review of the competitiveness of the total cash and equity-based compensation paid to the Co-CEOs and the other NEOs; made recommendations regarding compensation increases for the NEOs; and provided certain special reports and analyses requested by the Compensation Committee, such as a discussion of tally sheets, stock ownership and retention guidelines and recommended practices with respect to executive compensation, the terms of a new 162(m) bonus plan, recommendations regarding long-term incentive grant guidelines and analysis of historical share usage in the long-term incentive plan.

<sup>1</sup> The executive management team consists of the Co-CEOs plus fifteen officers of Torchmark and its various subsidiaries.

<sup>2</sup> We define share equivalents as the number of shares counted under the Torchmark Corporation 2011 Incentive Plan, as amended.

<sup>3</sup> We define performance share unit awards as performance shares for the purposes of this discussion.

## Setting Executive Compensation

The Compensation Committee considers market compensation comparisons as it determines the elements, appropriate levels and mix of compensation to be paid to the executive officers in order to retain the insurance executives necessary to the successful operation of the Company. The Compensation Committee does not operate with rigid standards for the level and mix of the compensation elements it awards. Rather, it works using this market analysis and other inputs from Company management and its compensation consultant. As mentioned, the historic emphasis and conscious design of the Company's compensation philosophy has been to deliver a large portion of pay in a variable format as long-term incentive awards, typically in the form of stock options and performance share awards, rather than through primarily annual cash bonuses.

During 2015, the Compensation Committee conducted a review of the composition of the peer group, considering such factors as labor market competitors, capital competitors (companies considered peers by stock analysts), market competitors, peers of existing peers, peers utilized for strategic planning and peers used by proxy advisory firms. In considering a peer group, the Compensation Committee was mindful of the effect of company scope on executive pay. Since the Company's business model does not place much emphasis on capital accumulation products (e.g., annuities) that produce significant investment income (as a percentage of revenue), the committee decided that the most relevant comparison of size was based on Total Policy Income, which largely reflects premiums and fees. Enterprise Value<sup>1</sup> was used as a secondary measure of size. As a result of the review, the committee decided not to make any changes in the peer group. However, due to recent mergers and acquisitions activity in the life insurance industry, the number of peers in the peer group is expected to decline. The Committee plans to conduct a broad review of appropriate peers during 2016. The current peer group is shown in the following table:

Company Name	Ticker	2014 Total Policy Income (dollar amounts in millions) (\$)	Total Enterprise Value at 12-31-14 (dollar amounts in millions) (\$)
Unum Group	UNM	7,797	11,479
Assurant, Inc.	AIZ	8,632	4,595
Lincoln National Corporation	LNC	7,661	16,396
Genworth Financial, Inc.	GNW	5,431	8,585
Principal Financial Group, Inc.	PFG	4,336	16,632
CNO Financial Group Inc.	CNO	2,630	6,489
StanCorp Financial Group, Inc.	SFG	2,069	3,194
American National Insurance Company	ANAT	2,040	2,982
Protective Life Corporation	PL	1,924	7,620
Symetra Financial Corporation	SYA	768	3,208
Primerica, Inc.	PRI	685	3,233
75th Percentile		6,546	10,032
Median		2,630	6,489
25th Percentile		1,982	3,220
<b>Torchmark Corporation</b>	<b>TMK</b>	<b>3,209</b>	<b>8,095</b>

(1) Enterprise Value is market capitalization of common equity plus book value of debt minus cash.

Part of the Compensation Committee's process of structuring and setting executive compensation includes conducting annually, with the assistance of its consultant, a detailed pay and performance analysis of compensation for the Company's executive officers relative to the pay and performance of executives occupying similar positions in its peer group. The results of these analyses, including the analyses done in 2015 for 2012 to 2014 performance, show that the Company's financial performance during this three-year period (which includes various metrics) as measured for compensation purposes was generally above the peer group's median. The Company's 2014 net income and net income per share grew at about the same rate as the peer group while return on equity was near the highest in the peer group. However, 2014 performance also included a significant variation from plan and guidance due to adverse experience with Medicare part D. Total compensation levels as compared to the Company's peer group are consistent with this performance and each officer's tenure.

For 2014, the cash compensation (salary plus annual bonus) paid to the Co-CEOs was at about the 10th percentile of the peer group's cash compensation. Long-term incentive awards were benchmarked on a grant basis, using expected values (i.e., similar to the values shown in a Summary Compensation Table). This analysis showed that long-term awards were generally above market, reflecting the Company's strong stock price (a primary driver of expected value) and emphasis on long-term compensation.



## Assessment of 2015 Advisory Vote on Executive Compensation

The Company conducted a non-binding, advisory stockholder vote on executive compensation as disclosed in the 2015 Proxy Statement (known as a “Say-on-Pay” vote) at its Annual Meeting held on April 30, 2015. At that meeting stockholders who cast votes overwhelmingly approved, on an advisory basis, the executive compensation disclosed in the 2015 Proxy Statement (97.8%). The Company has considered the results of the “Say-on-Pay” vote in determining its compensation policies and decisions. Company management evaluated the support levels in these advisory votes in making its recommendations to the Compensation Committee regarding 2016 salaries, 2015 bonus decisions and equity awards to the NEOs following a “pay for performance” model. The Compensation Committee also reviewed these 2015 voting results and took them into consideration in fixing the compensation levels for the NEOs other than the Co-CEOs in 2016 and in making its recommendations to the full Board regarding Co-CEO compensation in 2016

## Elements of Compensation

The total compensation package for all executives at the Company and its subsidiaries, including the NEOs, consists of multiple elements. Some of these elements focus on compensation paid during the executive’s active working career while others focus on compensation and benefits paid on or related to retirement. Executives may also receive certain limited perquisites and personal benefits. The elements included in compensation available to executives during fiscal year 2015 included:

- Base salaries;
- Cash bonuses;
- Long-term equity incentives in the form of stock options, performance shares and restricted shares;
- Retirement and other benefits; and
- Perquisites and personal benefits.

### *Base Salaries*

The Compensation Committee fixes (or, in the case of a Co-CEO, recommends to the Board) base salaries for our NEOs. Factors considered included competitive pay ranges, the officer’s time in the position, pay relative to organizational peers and individual performance. Effective January 21, 2016, the Compensation Committee fixed salaries for the NEOs with the exclusion of Mr. Coleman and Mr. Hutchison (whose salaries were fixed by the Board on February 24, 2016) as shown in the table below:

	<u>2015 Salary</u> <u>(\$)</u>	<u>2016 Salary</u> <u>(\$)</u>
Gary Coleman .....	850,000	875,000
Larry Hutchison .....	850,000	875,000
Frank Svoboda .....	480,000	500,000
Roger Smith .....	585,000	595,000
Vern Herbel .....	510,000	520,000
Michael Pressley .....	480,000	500,000

### *Annual Cash Bonuses*

Annual cash bonuses are a key component of our executive compensation program. To ensure the tax deductibility of bonuses paid to executives, we have an annual Management Incentive Plan (Section 162(m) Plan), under which we may pay annual cash bonuses to the Co-CEOs and the other NEOs. This plan utilizes a “Plan within a Plan” approach where the criteria set by the Compensation Committee under this plan stipulate the maximum bonus that can be paid to each NEO<sup>1</sup>. The Compensation Committee is also authorized to pay discretionary bonuses to executives outside of the Section 162(m) Plan, which may or may not be tax deductible.

As noted, the Section 162(m) Plan establishes an upper limit for bonuses to covered employees to ensure tax deductibility. The actual bonuses paid are developed using an annual incentive plan framework that determines an initial award, subject to adjustment as the Compensation Committee deems appropriate. For 2015, the Compensation Committee established the annual incentive plan framework tied to three metrics, assigning 40% weight to earnings per share (EPS) growth (ranging from 2% to 10%); 30% weight to underwriting income growth (ranging from -1.0% to 7%); and 30% weight to return on equity (ROE) (ranging from 13.7% to 16%), subject to the exercise of discretion on the part of the Compensation Committee to further adjust the bonuses based upon consideration of subjective factors.

For 2015, EPS grew 4.5%, underwriting income grew 1.0% and ROE was 14.5%, yielding a total framework bonus amount of \$3.265 million for the NEOs, or about 96.7% of the target bonus amount. This is shown in the following table. The bonuses for Messrs. Smith, Svoboda and Pressley were determined based on recommendations of the Co-CEOs. The bonuses shown for Mr. Coleman and Mr. Hutchison were recommended by the Compensation Committee and approved by the independent members of the Board. The Compensation Committee approved the other bonuses.

	<b>Target Bonus as a % of Salary</b>	<b>Target Bonus Amount \$(2)</b>	<b>Framework Bonus \$(3)</b>	<b>Actual Bonus Paid (\$)</b>
Gary Coleman .....	140%	1,190,000	1,151,000	1,151,000
Larry Hutchison .....	140%	1,190,000	1,151,000	1,151,000
Roger Smith .....	80%	468,000	453,000	430,000
Frank Svoboda .....	55%	264,000	255,000	250,000
Mike Pressley .....	55%	264,000	255,000	250,000
Total .....		3,376,000	3,265,000	3,232,000

(1) The criteria established by the Compensation Committee specify that net operating income per share must increase by 2% from the prior year for any bonuses to be payable and that, in such case, a bonus pool equal to 3% of pre-tax operating income will be established. For 2015, this pool was \$23,790,000. Per the terms of the 162(m) Plan, the bonus payable to each of the Co-CEOs cannot exceed 30% of the pool (\$7.137 million for 2015) and the bonus paid to each of the other covered employees (as defined in Section 162(m) of the Code) cannot exceed 10% of the pool (\$2.379 million for 2015).

(2) Reflects target bonus amount based on targeted EPS growth, underwriting income growth and ROE in 2015. The degree to which these objective criteria were achieved, along with subjective criteria considered by the committee, were used in determining (or, in the case of the Co-CEOs, recommending to the independent members of the Board) the amount by which the maximum bonus amount payable to each participating NEO would be reduced. The threshold bonus amount is equal to half the target. The maximum bonus is equal to the lesser of 150% of target or the amount allowed by the Section 162(m) Plan.

(3) Bonus earned based on the 2015 performance framework, before Compensation Committee discretion. Equal to 96.7% of Target Bonus.

Vern Herbel's 2015 bonus was not paid pursuant to the Section 162(m) plan. The Compensation Committee awarded him a discretionary bonus of \$200,000 based in part on the Co-CEOs' assessment of his performance as Chief Administrative Officer of the Company, taking into account his efforts to control administrative costs and to manage implementation of new systems and technologies throughout the Company.

#### *Long-Term Equity Incentives*

The principal vehicle we use to distribute long-term incentive compensation to our Company and subsidiary executives, officers and key employees is stock options, which we first began awarding in 1984. Beginning in 2006, we used annual grants of time-vested restricted stock awards to certain senior executives for retention purposes as an incentive to work beyond the established early retirement age of 55. In 2012, we began granting performance shares, the vesting of which is directly tied to performance goals outlined in the Company's strategic plan. In 2013 and 2014 we expanded this practice by replacing all annual grants of restricted stock to executive officers (i.e., roughly the top 15 executives of the Company and its subsidiaries) with annual awards in the form of performance shares. The performance shares awarded on February 24, 2015 will be earned and issued following the end of the three-year performance period from January 1, 2015 through December 31, 2017, based on the extent to which the Company achieves various performance goals established by the Compensation Committee: 40% weight to three-year growth in EPS (ranging from 4% to 12%), 30% weight to growth in underwriting income (ranging from 0% to 8%) and 30% weight to average ROE over the period 2015 to 2017 (ranging from 13.5% to 15.5%). Beginning in 2013, it is the Compensation Committee's intention to only award time-vested restricted stock among these officers on a select basis where it is felt there is a need for further retention. In this case, these awards will utilize vesting after five years, with no partial vesting or vesting for early retirement. No time-vested restricted stock awards were made to NEOs in 2015.

The incentive plan under which stock options and restricted stock were awarded in 2015 was the Torchmark Corporation 2011 Incentive Plan (the 2011 Plan). The purposes of the 2011 Plan are to promote the success and enhance the value of the Company by linking the personal interests of employees, officers, directors and consultants of the Company and its subsidiaries to our shareholders and to provide these persons with an incentive for outstanding individual performance.

In making individual long-term incentive awards, we do not follow the common industry practice of determining a competitive annual grant value and then calculating a number of shares to be awarded based on that value. That approach produces the

counterintuitive result of larger share grants when stock prices decline and smaller grants when prices increase. It also distorts the relative value of options versus full-value share awards (e.g., restricted stock and performance shares) during times of market turmoil. Instead it has been our practice to set award guidelines by position and keep those share levels relatively constant over a period of time. Individual awards are then made relative to the guidelines, reflecting the individual's performance and retention needs. The awards made in 2015 were made using the grant guidelines that were developed in 2014, based on an analysis of peer grant practices, measured in terms of dollar value and dilution rather than just dollar value. This approach minimizes differences in stock performance between companies and was based on our longer-term assessment of the relative value of the various incentive vehicles utilized.

Based upon recommendations from the Co-CEOs, the Compensation Committee, as the administrator of the plan, selected the NEOs (other than the Co-CEOs), other officers and key employees (a total of 153 persons) who received non-qualified stock option grants, restricted stock awards and/or performance share awards on February 24, 2015. In a February 24, 2015 meeting, the independent members of the Board acted upon the recommendation from the Compensation Committee and awarded Co-CEOs Gary Coleman and Larry Hutchison 37,500 performance shares (at target) and non-qualified options on 150,000 shares with an exercise price equal to the market closing price on that date. In making the 2015 grants, the Compensation Committee considered the Co-CEOs' recommendations for all persons other than themselves, individual performance and the Company's succession planning and retention needs.

The 2011 Plan authorizes the Compensation Committee to set the performance metrics and goals for performance share awards as well as the restrictions on restricted shares and their vesting periods. The Compensation Committee also is charged with determining the type of stock options they award or recommend, the time and conditions of exercise of options and the methods of acceptable payment to exercise stock options. All stock options are granted with exercise prices equal to the fair market value of the Company's common stock, which is defined by the 2011 Plan as the NYSE market closing price on the grant date. The grant date for stock options, restricted stock awards and performance share awards is the date of the Compensation Committee or Board meeting at which the Compensation Committee or the independent members of the Board review and determine the persons to receive options, restricted stock and/or performance shares and the number of option restricted shares and/or performance shares.

The Compensation Committee and the independent members of the Board do **not** time the grant of stock options, restricted stock or performance shares in consideration of the release of material non-public information, whether or not that information may favorably or unfavorably impact the price of Company common stock. The consideration and grant of equity incentive awards to participants in the 2011 Plan, whether in the form of options, restricted shares and/or performance shares, normally occurs during the window period of each year which opens following the release of the prior year's reported earnings.

#### *Stock Ownership/Retention Guidelines*

We have formal stock ownership guidelines that currently provide:

- Any person serving as the CEO of the Company must hold shares of the Company stock with a market value equal to at least six times his annual salary;
- The executive vice presidents of the Company must hold Company stock with a market value equal to at least three times their respective annual salaries;
- The chief executive officers/presidents of the Company's principal insurance subsidiaries must hold Company stock with a market value of at least two times their respective annual salaries;
- Executive officers of the Company and its principal subsidiaries designated from time to time by the Governance and Nominating Committee must acquire and hold Company stock with a market value equal to their respective annual salaries; and
- Non-employee directors of the Company must acquire and hold Company stock with a market value equal to at least five times that portion of their respective annual retainers which may be paid in cash (Annual Cash Retainer).

All such directors, the Co-CEOs and the executive officers have a five-year period from the January 1, 2007 inception of these guidelines, their initial election as a director (if first elected after January 1, 2007) or their initial inclusion in the above-described categories of executive officers (the Initial Compliance Date) to attain the minimum ownership levels. For purposes of meeting these stock ownership guidelines, common shares deemed owned, either directly or indirectly, for reporting purposes pursuant to Section 16(a) of the Securities Exchange Act of 1934, junior subordinated debentures of the Company, shares held in unitized stock funds in the Company's thrift and 401(k) plans, time-vested restricted stock and restricted stock units are counted. Stock options and performance share awards are not counted toward attainment of the ownership guidelines.

Until the minimum ownership levels are attained within the requisite period, the director or executive cannot sell any shares owned outright, sell any restricted stock when vested other than those necessary to pay withholding taxes, or execute a "cashless" option exercise where more shares are sold than are necessary to pay the option exercise price and withholding taxes. The executive

or director must retain all “profit shares” (the net shares remaining after payment of the option exercise price and taxes owed at the time of an option exercise, vesting of restricted stock or earnout of performance shares) until minimum ownership levels are met; provided, however, that in exceptional circumstances, upon obtaining an advance waiver of the guidelines from the Governance and Nominating Committee of the Board, profit shares may be sold.

We have no formal stock retention policy for shares derived from stock options or other equity grants after the stock ownership guidelines have been met. The Company believes the decisions as to when to exercise options and whether to retain stock should be each individual award recipient’s decision if that award recipient is in compliance with the stock ownership guidelines. Our insider trading policy prohibits executives from trading and/or writing put and call options and other derivative vehicles in order to hedge positions or speculate in Company stock.

#### *Retirement and Other Benefits*

Retirement benefits provided to executives consist of a defined benefit pension plan benefit, a group term life insurance benefit, additional life insurance under Retirement Life Insurance Agreements, post-employment health coverage and, in the case of certain executives, benefits under a supplemental executive retirement plan (SERP). While some of these retirement benefits are available to all eligible employees (e.g., pension plan benefit, group term life insurance and post-employment health coverage), other benefits are only available to designated executives when they retire (e.g., Retirement Life Insurance Agreements and benefits under the SERP). The Company has chosen to provide such benefits either broadly or to specific individuals to attract and retain employees and executives by enabling retirement savings and planning. The SERP was put in place to encourage executives at certain levels to continue to work past the Company’s established early retirement age of 55. Messrs. Coleman, Hutchison, Svoboda, Smith, Herbel and Pressley are among the 26 persons designated in 2015 by the Compensation Committee as participants in the SERP.

#### *Savings Plans*

Eligible executives and employees may choose to participate in the Torchmark Corporation Savings and Investment Plan (the Thrift Plan), a funded tax-qualified defined contribution plan. During 2006 and earlier years, they could elect to contribute a designated percentage up to 16% of their after-tax salary to the Thrift Plan and select an investment fund or funds from a menu offered by the plan. The Company would match on a 50% basis all employee contributions up to 6% of the employee’s salary. Investment vehicles included a unitized Company common stock fund and a broad spectrum of unaffiliated mutual funds.

Based upon the recommendations of the Compensation Committee as well as Company management, the Board of Directors approved a series of amendments to the Thrift Plan, effective January 1, 2007, which inserted provisions under Section 401(k) of the Code for pre-tax contributions commencing on that date. No additional after-tax contributions were permitted to the Thrift Plan after December 31, 2006. The Company matches the employee’s pre-tax contributions at 100% on the first 1% of salary and at 50% on the next 5% of salary up to a maximum annual match of \$9,275. The employee may contribute additional amounts, which are not matched by the Company, up to the maximum amount allowed by the I.R.C annually (in 2015, \$18,000) and if he or she is age 50 or older, the employee may make an annual “catch-up” contribution of up to an additional \$6,000, which is also not subject to Company matching. These contributions can be directed to the same type of investment funds as previously available. Each of the NEOs participates in this plan.

#### *Deferred Compensation Plan*

The Company has historically provided a traditional unfunded, deferred compensation plan to certain eligible executive officers and directors who may elect to defer all or any part of their compensation into an interest-bearing memorandum deferred compensation account until they terminate their elections. Elections must indicate the payment commencement date and the method of distribution, either in a lump sum or equal monthly installments (not to exceed 120). Interest on the account is paid at a rate equal to the average yield for Corporate Aa bonds per Moody’s Bond Survey, less a 0.5% expense allowance. In 2008, this plan was amended to rename the plan the Torchmark Corporation Restated Deferred Compensation Plan, to provide that those persons newly eligible to participate in this plan must be officers of the Company eligible to participate in the SERP (which would currently include the Co-CEOs and the other NEOs), and to provide that directors not already participating in the plan will not be eligible participants. None of the NEOs participates in this plan.

#### *Retirement Life Insurance Agreements*

The Company provides retirement life insurance benefit agreements to a closed group comprised of certain of its executives, including the NEOs, and certain executives of its subsidiary companies. These retirement life insurance benefit agreements replace an insurance payment program to that same group of executives which was terminated in 2001. The agreements provide a life insurance benefit to a participating executive effective upon the later of their 65th birthday or their retirement date with coverage

equal to a designated percentage, which will vary, based upon the employee's age at the nearest birthday to their date of retirement, from 65% at age 55 to 100% at ages 62 or over, of an amount equal to two times the employee's salary and bonus in their final year of employment prior to retirement, less \$5,000. Such insurance benefits, which are payable on the participating executive's death, for certain executives may not exceed \$1,995,000 and for other executives may not exceed \$495,000. Messrs. Coleman, Hutchison and Smith each have a Retirement Life Insurance Agreement with a \$1,995,000 maximum benefit, Mr. Herbel has a \$495,000 maximum benefit under his agreement, and Messrs. Pressley and Svoboda do not have Retirement Life Insurance Agreement.

#### *Perquisites and Personal Benefits*

We have chosen to offer only a very limited number of perquisites and personal benefits to our NEOs, including the personal use of Company aircraft, Company-paid country club and other club dues, personal use of Company-paid tickets to events where the most expensive tickets utilized in 2015 had a face price of \$150 per ticket, and costs associated with family members' travel to Company meetings. We have not incurred significant expense as a result of the usage of perquisites and personal benefits. The aggregate incremental cost of perquisites for 2015 exceeded \$10,000 for three of the NEOs reflected in the Summary Compensation Table. Perquisite and other personal benefit disclosures are reviewed annually and approved by the Audit and/or the Compensation Committees.

#### **Termination of Employment and Change in Control**

All employees, including the NEOs, holding Company stock options have option grant agreements which provide for varying exercise periods after termination of employment depending on the circumstances of the termination (voluntary termination, involuntary termination without cause, early retirement at age 55 or older, early retirement at age 60 or older, normal retirement at age 65 or older, disability and death). Generally, currently outstanding stock options provide for post-termination exercise periods ranging from one month for voluntary terminations to the longer of the remaining option term or one year from the date of death in the case of the optionee's death. Any unvested options immediately vest in full upon retirement at or after age 65, on disability or on death. Termination of employment for cause results in expiration of all options on the date of the termination notice.

Change in control provisions are contained in various Company plans applicable to executives as well as to all Company employees. Options granted under the Company's 2007 Long-Term Compensation Plan (2007 Plan) and the 2011 Plan provide that such options become fully exercisable if the executive's employment is terminated without cause or the executive resigns for good reason within two years (under the 2007 Plan and the 2011 Plan) after the effective date of a change in control. The Section 162(m) Plan requires that the plan must be assumed by a successor to the Company and that bonus payouts accelerate if an executive is terminated without cause or the executive resigns for good reason following a change in control of the Company.

While our executives are subject to post-termination obligations for confidentiality pursuant to confidentiality agreements which they sign while employed, they are generally not subject to other restrictive covenants such as those dealing with non-solicitation or non-competition unless negotiated at the time of their departure. The post-termination confidentiality obligation does not relate to any compensation or benefits payable or to be payable upon certain triggering events. Beginning in 2015, all executives receiving performance share awards and certain executives receiving stock options are subject to non-solicitation, non-competition and confidentiality provisions contained in the respective grant agreements.

The Company and its subsidiaries do not enter into employment contracts, severance agreements, salary continuation agreements or severance plans with executives or directors at the time of their employment or election, respectively. To the extent that executives negotiate oral or written severance arrangements or other post-termination payments for current cash compensation, benefits and perquisites and outstanding equity compensation (outside of the provisions of the applicable stock incentive plan), this is done on an individual basis at the time of their contemplated departure. Perquisites and other personal benefits are not extended on a post-termination basis.

#### **Clawback Provisions**

Bonuses paid to executives pursuant to the Section 162(m) Plan are subject to "clawback" provisions. If the Company's financial results are materially restated, the Compensation Committee has the authority to determine whether and which executives will be required to forfeit the right to receive any future payments under the plan and/or to recapture prior payments they determine to have been inappropriately received by an executive. Additionally, if the Company's financial results are restated due to fraud or material noncompliance by the Company, as a result of misconduct, with any financial reporting requirements of the federal securities laws, any executive participating in the plan who the Compensation Committee determines participated in or was responsible for the fraud or material noncompliance causing the restatement must repay any amounts paid to him in excess of those that would have been paid under the restated results and forfeits the right to receive any future payments under the plan.

Awards made pursuant to the 2011 Plan may be recaptured by the Company on the occurrence of certain specified events if the Compensation Committee so specifies in the award certificate or grant agreement. Such specified events may include, but are not limited to, termination of employment for cause; violation of material Company policies; breach of noncompetition, confidentiality or other restrictive covenants that may apply to the award recipient; other conduct by the award recipient that is detrimental to the business or reputation of the Company or its subsidiaries; or a later determination that the vesting of, or amount realized from, a performance award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not the award recipient caused or contributed to the material inaccuracy.

### **Tax and Accounting Implications of Compensation**

As one of the factors considered in performing its duties, the Compensation Committee evaluates the anticipated tax treatment to the Company and its subsidiaries, as well as to the executives, of various payments and benefits. The deductibility of some types of compensation depends upon the timing of an executive's vesting or exercise of previously-granted rights. Deductibility may also be affected by interpretations of and changes in tax laws such as Section 162(m) of the Code, which generally provides that the Company may not deduct compensation of more than \$1,000,000 paid to certain executives. Compensation paid pursuant to the Section 162(m) Plan of the Company is intended to qualify as "performance-based compensation" which is not subject to the limits of Code Section 162(m). The Compensation Committee will not necessarily limit executive compensation to that paid under the Section 162(m) Plan or that is otherwise deductible under Section 162(m) of the Code.

The Company designs, awards and implements its non-qualified deferred compensation arrangements to fully comply with Code Section 409A and the accompanying regulations. We amended our non-qualified deferred compensation plans to comply with Section 409A, effective January 1, 2009.

Beginning on January 1, 2006, the Company began accounting for stock-based payments, including stock option grants and restricted stock awards in accordance with the requirements of ASC 718, *Compensation — Stock Compensation* in the consolidated GAAP financial statements.

## COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors of Torchmark has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of SEC Regulation S-K with Company management. Based on these reviews and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Darren M. Rebelez, Chairman  
Jane M. Buchan  
Lloyd W. Newton

February 24, 2016

The foregoing Compensation Committee Report shall not be deemed to be “soliciting material” or to be “filed” with the Securities and Exchange Commission, or subject to Regulation 14A or the liabilities of Section 18 of the Securities Exchange Act of 1934.

### SUMMARY COMPENSATION TABLE

The table below summarizes various categories of compensation earned in 2015 by the persons who served as the Company’s Co-Chief Executive Officers, its Chief Financial Officer and the three next most highly compensated executive officers of the Company. The six named executive officers had 2015 salaries and bonuses (as reflected in the Non-Equity Incentive Plan Compensation column or the Bonus column below) in the aggregate which represented 33.1% of their total compensation in 2015.

None of the executive officers listed in the table has a written or unwritten employment agreement or arrangement with the Company or any of its subsidiaries.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) (1)(2)(3)	Option Awards (\$)(4)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(5)	All Other Compensation (\$)(6)	Total (\$)
<b>Gary L. Coleman</b>	2015	845,192	0	2,010,375	1,561,500	1,151,000	218,403	45,992	5,832,462
Co-Chairman and Chief Executive Officer	2014	821,058	0	1,965,000	2,074,000	900,000	1,742,542	51,682	7,554,282
	2013	791,923	0	1,402,500	1,889,000	1,600,000	0	109,494	5,792,917
<b>Larry M. Hutchison</b>	2015	845,192	0	2,010,375	1,561,500	1,151,000	194,789	34,764	5,797,620
Co-Chairman and Chief Executive Officer	2014	821,058	0	1,965,000	2,074,000	900,000	1,634,314	34,695	7,429,067
	2013	791,923	0	1,402,500	1,889,000	1,600,000	0	27,340	5,710,763
<b>Frank M. Svoboda</b>	2015	477,692	0	643,320	624,600	250,000	215,347	24,780	2,235,739
Executive Vice President & Chief Financial Officer	2014	449,768	0	608,320	829,600	185,000	549,063	24,681	2,646,432
	2013	417,692	0	336,600	755,600	200,000	56,432	29,162	1,795,486
<b>Roger C. Smith</b>	2015	583,846	0	964,980	936,900	430,000	658,087	15,068	3,588,881
President & Chief Executive Officer, American Income and Chief Executive Officer, Liberty	2014	569,693	0	912,480	1,244,400	450,000	1,340,243	15,188	4,531,604
	2013	525,769	0	785,400	1,133,400	475,000	384,142	15,413	3,319,124
<b>Vern D. Herbel</b>	2015	510,000	200,000	402,075	520,500	0	143,998	9,275	1,785,848
Executive Vice President & Chief Administrative Officer	2014	509,923	0	570,300	725,900	225,000	1,675,921	22,274	3,729,318
	2013	499,231	0	981,750	661,150	500,000	52,081	24,865	2,719,077
<b>W. Michael Pressley</b>	2015	478,462	0	643,320	624,600	250,000	429,218	13,820	2,439,420
Executive Vice President & Chief Investment Officer	2014	459,847	0	608,320	725,900	225,000	794,753	13,667	2,827,487
	2013	438,462	225,000	448,800	661,150	0	217,784	26,818	2,018,014

(1) Amounts shown in this column for Messrs. Coleman, Hutchison, Svoboda, Herbel, Smith and Pressley for 2015 are performance share awards valued based upon the probable outcome of the performance conditions as of the February 25, 2015 grant date, which were target levels on that date. The fair values of performance shares are calculated in accordance with ASC 718, *Compensation – Stock Compensation* (ASC 718), using NYSE market closing price on the grant date of the performance share awards. The fair values of such performance shares at maximum levels of the grant date were for Coleman (\$4,020,750), Hutchison (\$4,020,750), Svoboda (\$1,286,640), Smith (\$1,929,960), Herbel (\$804,150) and Pressley (\$1,286,640).

(2) Amounts shown in this column for Messrs. Coleman, Hutchison, Svoboda, Herbel, Smith and Pressley for 2014 are performance share awards valued based upon the probable outcome of the performance conditions as of the February 24, 2014 grant date (Svoboda, Herbel, Smith and Pressley) and March 4, 2014 (Coleman and Hutchison), which were target levels on that date. The fair values of performance shares are calculated in accordance with ASC 718, *Compensation – Stock Compensation* (ASC 718), using NYSE market closing price on the grant date of the performance share awards. The fair values of such performance shares at maximum levels of the grant date were for Coleman (\$3,930,000), Hutchison (\$3,930,000), Svoboda (\$1,216,640), Smith (\$1,824,960), Herbel (\$1,140,600) and Pressley (\$1,216,640).

(3) Amounts shown in this column for Messrs. Coleman, Hutchison, Svoboda, Smith, Herbel, and Pressley for 2013 are performance share awards valued based upon the probable outcome of the performance conditions as of the February 27, 2013 grant date, which were target levels on that date. The fair values of performance shares are calculated in accordance with ASC 718, *Compensation—Stock Compensation* (ASC 718), using the NYSE market closing price on the grant date of the performance share awards. The fair values of such performance shares at maximum levels on the grant date were for Coleman (\$2,805,000), Hutchison (\$2,805,000), Svoboda (\$673,200), Smith (\$1,570,800), Herbel (\$561,000), and Pressley (\$897,600).

The amount shown for Mr. Herbel for 2013 also includes time-vested restricted stock (\$701,250). The fair value of this restricted stock award is calculated in accordance with ASC 718, using the NYSE market closing price on the grant date of restricted stock.

(4) Assumptions used in calculating the aggregate grant date fair value in accordance with ASC 718 are set out in Footnote 1 to the Company's audited financial statements contained in the Form 10-K for the fiscal year ended December 31, 2015.

(5) Change in Pension Value and Non-Qualified Deferred Compensation Earnings:

Executive	Year	Increase in Present Value Pension Plan (\$)	Decrease in Present Value Pension Plan (\$)	Increase in Present Value SERP (\$)	Decrease in Present Value SERP (\$)
Coleman	2015	75,525		142,878	
	2014	420,362		1,322,180	
	2013		(26,336)		(142,379)
Hutchison	2015	66,476		128,313	
	2014	392,649		1,241,665	
	2013		(28,637)		(70,719)
Svoboda	2015	37,078		178,269	
	2014	214,343		334,720	
	2012		(11,356)	67,788	
R. Smith	2015	99,327		558,760	
	2014	237,302		1,102,941	
	2013	46,941		337,201	
Herbel	2015	32,566		111,432	
	2014	363,497		1,312,424	
	2013		(57,059)	109,140	
Pressley	2015	106,610		322,608	
	2014	267,449		527,304	
	2013	45,167		172,617	

(6) Includes Company matching contribution to each executive's 401(k) Plan account; excess premiums for additional life insurance for Messrs. Coleman, Hutchison, R. Smith and Pressley; and the categories and quantified amounts (if required) of perquisites and personal benefits required to be reported by SEC Regulation S-K, Item 402 (c)(2)(ix) for executives.

Name	Perquisites (\$) (a)	401(k) Match (\$)	Excess Premiums for Additional Life Insurance (\$)	Total (\$)
Gary Coleman	27,861	9,275	8,856	45,992
Larry Hutchison	16,633	9,275	8,856	34,764
Frank Svoboda	15,505	9,275		24,780
Vern Herbel		9,275		9,275
Roger Smith		9,275	5,793	15,068
Mike Pressley		9,275	4,545	13,820

(a) For Messrs. Coleman and Hutchison, the amount reflects the aggregate incremental cost of personal use of corporate aircraft. For Mr. Svoboda, the amount reflects the aggregate incremental cost of personal use of corporate aircraft, fitness center dues, country club dues and personal use of certain Company-purchased tickets.



The Company occasionally allows executives the personal use of tickets for sporting and special events previously acquired by the Company for business entertainment purposes. For certain tickets acquired by the Company, there is no incremental cost to the Company for such use.

For purposes of compensation disclosure, the value of personal use of Company aircraft is calculated using the actual variable costs incurred by the Company associated with such flights, including fuel, maintenance of the planes, “dead head” flights, pilot travel expenses, on-board catering, landing and parking fees, and other variable costs. Fixed costs, such as pilots’ salaries, are not included since they do not change with usage.

## 2015 GRANTS OF PLAN-BASED AWARDS

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(4)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Gary L. Coleman	Options	2/25/2015							150,000	53.61	1,561,500	
	Performance Shares	2/25/2015				18,750	37,500	75,000			2,010,375	
	Annual Cash		595,000	1,190,000	1,785,000							
Larry M. Hutchison	Options	2/25/2015							150,000	53.61	1,561,500	
	Performance Shares	2/25/2015				18,750	37,500	75,000			2,010,375	
	Annual Cash		595,000	1,190,000	1,785,000							
Frank M. Svoboda	Options	2/25/2015							60,000	53.61	624,600	
	Performance Shares	2/25/2015				6,000	12,000	24,000			643,320	
	Annual Cash		132,000	264,000	396,000							
Roger C. Smith	Options	2/25/2015							90,000	53.61	936,900	
	Performance Shares	2/25/2015				9,000	18,000	36,000			964,980	
	Annual Cash		234,000	468,000	702,000							
Vern D. Herbel	Options	2/25/2015							50,000	53.61	520,500	
	Performance Shares	2/25/2015				3,750	7,500	15,000			402,075	
W. Michael Pressley	Options	2/25/2015							60,000	53.61	624,600	
	Performance Shares	2/25/2015				6,000	12,000	24,000			643,320	
	Annual Cash		132,000	264,000	396,000							

(1) Estimated future payouts under non-equity incentive plan awards are calculated pursuant to the Company’s Section 162(m) Plan. This plan provides a single estimated bonus payout at the maximum level available to the participating executive if objectives are met, subject to the Compensation Committee’s discretion to reduce the amount pursuant to an incentive plan framework and subjective criteria as described on pages 19 and 20. On January 21, 2016, the Compensation Committee certified attainment of the bonus objectives for Messrs. Svoboda, Smith and Pressley who were paid the bonuses shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table shortly thereafter. On February 23, 2016, the independent members of the Board approved the payment of the bonuses as shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table to Messrs. Coleman and Hutchison based upon receipt of the Compensation Committee’s January 21, 2016 certification of attainment of their bonus objectives.

(2) Performance shares awarded February 25, 2015, pursuant to the Company’s 2011 Plan and to be issued upon vesting following completion of the three year performance period commencing January 1, 2015 and ending December 31, 2017 and certification of attainment of specified targets for cumulative earnings per share, underwriting income and average return on equity for the performance period.

(3) Non-qualified stock options granted February 25, 2015 have a seven-year term and a grant price equal to the NYSE market closing price of Company common stock on the date awarded by the Compensation Committee. Such options vest as to 50% of the shares on the second anniversary of the grant date and as to the remaining 50% of the shares on the third anniversary of the grant date.

(4) The values included in this column represent the grant date fair value of performance share awards, restricted stock and option awards computed in accordance with ASC 718. The assumptions utilized for options are set out in Footnote 1 to the Company’s audited financial statements contained in the Form 10-K for the fiscal year ended December 31, 2015.

**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2015**

Option Awards							Stock Awards						
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)		
Gary L. Coleman	02/25/15		150,000	1	53.6100	02/25/22							
	02/24/14		150,000	1	50.6934	02/24/21							
	02/27/13	75,000	75,000	1	37.4000	02/27/20							
	01/23/12	97,500			30.3267	01/23/19							
	04/28/11	112,500			29.5912	04/28/18							
	02/25/10	112,500			20.5823	02/25/17							
							02/25/15			37,500	7	2,143,500	7
							03/04/14			37,500	8	2,143,500	8
							02/27/13	40,774	2	2,330,642	5		
							04/28/11	48,600	3	2,777,976	5		
Larry M. Hutchison	02/25/15		150,000	1	53.6100	02/25/22							
	02/24/14		150,000	1	50.6934	02/24/21							
	02/27/13	75,000	75,000	1	37.4000	02/27/20							
	01/23/12	97,500			30.3267	01/23/19							
	04/28/11	112,500			29.5912	04/28/18							
	02/25/10	112,500			20.5823	02/25/17							
							02/25/15			37,500	7	2,143,500	7
							03/04/14			37,500	8	2,143,500	8
							02/27/13	40,774	2	2,330,642	5		
							04/28/11	48,600	3	2,777,976	5		
Frank M. Svoboda	02/25/15		60,000	1	53.6100	02/25/22							
	02/24/14		60,000	1	50.6934	02/24/21							
	02/27/13	30,000	30,000	1	37.4000	02/27/20							
	01/23/12	49,500			30.3267	01/23/19							
	04/28/11	56,250			29.5912	04/28/18							
	02/25/10	56,250			20.5823	02/25/17							
							02/25/15			12,000	7	685,920	7
							02/24/14			12,000	8	685,920	8
							02/27/13	9,786	2	559,368	5		
							01/23/12	900	4	51,444	5		

Option Awards							Stock Awards					
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
Roger C. Smith	02/25/15		90,000	1	53.6100	02/25/22						
	02/24/14		90,000	1	50.6934	02/24/21						
	02/27/13	45,000	45,000	1	37.4000	02/27/20						
	01/23/12	90,000			30.3267	01/23/19						
	04/28/11	112,500			29.5912	04/28/18						
	02/25/10	106,722			20.5823	02/25/17						
								02/25/15		18,000	7	1,028,880
							02/24/14		18,000	8	1,028,880	8
							02/27/13	22,834	2	1,305,191	5	
							02/21/12	2,400	4	137,184	5	
							01/23/12	6,000	4	342,960	5	
							04/28/11	3,150	4	180,054	5	
Vern D. Herbel	02/25/15		50,000	1	53.6100	02/25/22						
	02/24/14		52,500	1	50.6934	02/24/21						
	02/27/13	26,250	26,250	1	37.4000	02/27/20						
	01/23/12	75,000			30.3267	01/23/19						
	04/28/11	101,250			29.5912	04/28/18						
	02/25/10	33,750			20.5823	02/25/17						
								02/25/15		7,500	7	428,700
							02/24/14		11,250	8	643,050	8
							02/27/13	8,155	2	466,140	5	
							02/27/13	18,750	6	1,071,750	5	
							02/21/12	1,200	4	68,592	5	
							01/23/12	4,200	4	240,072	5	
							04/28/11	2,700	4	154,332	5	
W. Michael Pressley	02/25/15		60,000	1	53.6100	02/25/22						
	02/24/14		52,500	1	50.6934	02/24/21						
	02/27/13	26,250	26,250	1	37.4000	02/27/20						
	01/23/12	52,500			30.3267	01/23/19						
							02/25/15		12,000	7	685,920	7
							02/24/14		12,000	8	685,920	8
							02/27/13	13,048	2	745,824	5	
							01/23/12	4,800	4	274,368	5	
							04/28/11	1,800	4	102,888	5	

(1) Stock options vest at the rate of 50% on second and third anniversaries of grant date, with a seven-year term.

(2) Performance shares to be issued with respect to a three year performance period commencing January 1, 2013 and ending December 31, 2015 based upon the degree of satisfaction of three performance criteria. Shares shown reflect actual performance attained during the period and will vest in 2016 upon certification of achievement of performance objectives by the Compensation Committee.

(3) 45,000 of these restricted shares vest 100% on fifth anniversary of grant date and 3,600 of these restricted shares vest at the rate of 20% per year over a five-year period commencing on the first anniversary of the grant date.

(4) Restricted stock vests at the rate of 20% per year over a five-year period commencing on the first anniversary of grant date.

(5) Calculated using 2015 year-end closing market price of \$57.16 per share.

(6) 18,750 restricted shares vesting 100% on the fifth anniversary of grant date.

(7) Performance shares to be issued when vested upon certification following the completion of a three-year performance period commencing January 1, 2015 and ending December 31, 2017, if at all, based upon the degree of satisfaction of three performance criteria.

(8) Performance shares to be issued when vested upon certification following the completion of a three-year performance period commencing January 1, 2014 and ending December 31, 2016, if at all, based upon the degree of satisfaction of three performance criteria.

**OPTION EXERCISES AND STOCK VESTED  
DURING FISCAL YEAR ENDED DECEMBER 31, 2015**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(2)(3)
Gary L. Coleman .....			73,227 (4)	3,935,275 (6)
Larry M. Hutchison .....			73,227 (5)	3,935,275 (7)
Frank M. Svoboda .....			450	23,292
Roger C. Smith .....	66,678	3,132,151	10,725	578,480
Vern D. Herbel .....	135,000	6,192,784	8,100	437,880
W. Michael Pressley .....	135,000	4,559,436	5,550	297,884

(1) "Value Realized on Exercise" represents the difference between the fair value per share less brokerage commissions in broker-assisted "cashless" or "modified cashless" option exercises and the exercise price per share, multiplied by the number of shares underlying each option exercised.

(2) "Value Realized on Vesting" represents the value of restricted stock or performance shares calculated by multiplying the number of vested shares by the closing price of Company common stock on the NYSE on the vesting date or, if vesting occurred on a day upon which the NYSE was closed for trading, the preceding trading day.

(3) Vesting Dates for Shares of Restricted Stock:

Executive	Jan 23, 2015	Feb 21, 2015	Feb 25, 2015	Apr 28, 2015
G. Coleman .....			3,600	3,600
L. Hutchison .....			3,600	3,600
F. Svoboda .....	450			
R. Smith .....	3,000	1,200	3,375 (a)	3,150
V. Herbel .....	2,100	600	2,700	2,700
W. Michael Pressley .....	2,400		1,350	1,800

(a) 82 shares and a fractional share payment transferred to former spouse on vesting.

(4) Executive acquired 7,200 shares on vesting of restricted stock and 66,027 shares on February 25, 2015 vesting and issuance of performance shares upon certification by the Compensation Committee of attainment of performance objectives at maximum payout level with respect to the 2012 - 2014 performance period. Executive surrendered to Torchmark 12,000 of such vested performance shares in partial payment of withholding taxes due.

(5) Executive acquired 7,200 shares on vesting of restricted stock and 66,027 shares on February 25, 2015 vesting and issuance of performance shares upon certification by the Compensation Committee of attainment of performance objectives at maximum payout level with respect to the 2012 - 2014 performance period.

(6) \$395,568 for restricted stock and \$3,539,707 for performance shares. Shares surrendered to Torchmark in partial payment of withholding taxes due on vested performance shares were valued at \$643,320.

(7) \$395,568 for restricted stock and \$3,539,707 for performance shares.

## PENSION BENEFITS AT DECEMBER 31, 2015

The table below shows the present value of accumulated benefits payable to each of the NEOs, including the number of years of service credited to each such NEO under the Torchmark Corporation Pension Plan and the Torchmark Corporation Supplemental Executive Retirement Plan (effective January 1, 2007) (the SERP) determined using interest rates and mortality rate assumptions consistent with those used in the Company's financial statements. No benefits are payable under the SERP to persons retiring prior to age 55.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit <sup>(1)</sup> (\$)	Payments During Last Fiscal Year (\$)
Gary L. Coleman	Torchmark Corporation Pension Plan	34	1,927,067	0
	Torchmark Corporation Supplemental Executive Retirement Plan	34	6,319,187	0
Larry M. Hutchison	Torchmark Corporation Pension Plan	30	1,706,372	0
	Torchmark Corporation Supplemental Executive Retirement Plan	30	5,603,791	0
Frank M. Svoboda	Torchmark Corporation Pension Plan	12	671,241	0
	Torchmark Corporation Supplemental Executive Retirement Plan	12	906,320	0
Roger C. Smith	Torchmark Corporation Pension Plan	16	938,631	0
	Torchmark Corporation Supplemental Executive Retirement Plan	16	3,914,193	0
Vern D. Herbel	Torchmark Corporation Pension Plan	29	1,375,829	0
	Torchmark Corporation Supplemental Executive Retirement Plan	29	4,149,862	0
W. Michael Pressley	Torchmark Corporation Pension Plan	13	1,158,965	0
	Torchmark Corporation Supplemental Executive Retirement Plan	13	1,868,888	0

(1) Present value of accumulated benefits is calculated using the December 31, 2015 FAS 87 disclosure assumptions as follows: (a) discount rate of 4.23% for the Torchmark Corporation Pension Plan benefits; (b) discount rate for Torchmark Corporation Supplemental Executive Retirement Plan benefits; (c) Optional Combined Tables for males and females based on the RP-2014 Mortality Table projected generationally from 2006 with Scale BB (male); (d) the calculated present value at age 65 is discounted with interest only to the current age and (e) no pre-retirement mortality or termination assumed prior to age 65.

The Torchmark Corporation Pension Plan (the Pension Plan) is a non-contributory pension plan which covers all eligible employees at the Company and each of its subsidiaries except for American Income (which maintains a separate plan) and Family Heritage. Eligible employees must be 21 years of age or older and have one or more years of credited service. Benefits at age 65 under the Pension Plan will be determined based upon the calculation formulas applicable to employees of various participating employers prior to the January 1, 2004 merger of the pension plan of the Company and two pension plans of a subsidiary. The NEOs are subject to the former Torchmark Pension Plan formula, which determines benefits by multiplying the average of the participant's earnings in the five consecutive years in which they were highest during the ten years before the participant's retirement by a percentage equal to 1% for each of the participant's first 40 years of credited service plus 2% for each year of credited service after the participant's 45<sup>th</sup> birthday and then reducing that result by a Social Security offset and by other benefits from certain other plans of affiliates. Benefits under the Pension Plan vest 100% at five years. Upon the participant's retirement, Pension Plan benefits are payable as an annuity or certain portions thereof may be paid in a lump sum.

If the participant retires between the ages of 55 and 64, the amount of the Pension Plan benefits is reduced so that if he retires at age 55, the participant will be entitled to 50% of the accrued benefits. Of the named executive officers, Messrs. Coleman, Hutchison, Roger Smith, Herbel and Pressley are eligible for early retirement benefits under the Pension Plan. It is not possible for a participant's credited service under the Pension Plan to exceed his or her actual years of service with the Company and its subsidiaries.

Laws limit to a fixed amount per year the benefits that a qualified plan such as the Pension Plan can pay (in 2015, \$210,000). Benefits that are actually paid under the Pension Plan are also based upon the covered compensation of the participant as defined by the Code (in 2015, \$265,000), not on actual final average earnings of the participant.

After evaluation of the retirement benefits potentially payable to its executives relative to its peer companies, the Board of Directors, based upon a recommendation from the Compensation Committee, implemented a supplemental executive retirement plan, effective January 1, 2007. This non-qualified SERP is funded by a Rabbi trust and will pay a supplemental benefit to a participating executive upon retirement in the amount of that portion of the executive's retirement benefit, calculated under the Pension Plan or a subsidiary's pension plan using the formulas from the former Torchmark Pension Plan, which cannot be paid from the Pension Plan or a subsidiary's pension plan because of the IRS limits requiring the pension calculation to be based on a much lower covered compensation figure and the fixed amount annual limit on qualified pension plan benefits. No benefits will be paid out under the SERP unless the participant is 55 years old and has at least ten years of service with the Company and/or its subsidiaries. Participants meeting these requirements will receive benefits which range from 15% of the benefit that they would have ultimately received on retirement at age 65 if they choose to retire at age 55 to 98% of the benefit that they would have ultimately received on retirement at age 65 if they choose to retire at age 64. Benefits will be paid in the form of an annuity selected by the participant. The Compensation Committee designated 26 executives of the Company and its subsidiaries, including each of the NEOs, to participate in the SERP on February 24, 2015.

#### **POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL**

The Company and its subsidiaries do not have employment contracts, severance agreements, salary continuation agreements or severance plans with the NEOs. Potential payments and benefits not generally available to all salaried employees may be made to the NEOs (1) upon termination of their employment in connection with stock options issued to them under the Company's various incentive plans, (2) upon termination of employment in connection with restricted stock issued to them under the 2011 Plan and the 2007 Plan, (3) upon termination of employment in connection with performance shares awarded to them under the 2011 Plan; (4) at age 65 in the form of an insurance policy under a Retirement Life Insurance Benefit Agreement, and (5) upon termination of their employment in the executive's chosen form of annuitized payment under the SERP. Additionally, in the case of a change in control of the Company, the stock options, restricted stock and performance shares held by the NEOs would be subject to vesting and those executive officers would have potential payments as a result.

For purposes of the following disclosures, the assumptions used in making the calculations are: (1) the triggering event (termination of employment, retirement, or change-in-control) occurred on December 31, 2015; (2) the per share price of Company stock is \$57.16, which was the closing price of the stock on December 31, 2015; (3) the ages of the NEOs as of December 31, 2015 were Gary Coleman (age 62), Larry Hutchison (age 61), Frank Svoboda (age 54), Roger Smith (age 63), Vern Herbel (age 58) and Michael Pressley (age 64); and (4) the NEOs' salaries and non-equity incentive plan compensation are what is reflected for them in the Summary Compensation Table.

#### **Stock Options and Termination of Employment**

Currently outstanding Company stock options provide that the options may be exercised for a period of time after termination of employment that varies with the circumstances of the termination:

- (1) on a voluntary termination—one month after termination of employment or the expiration of the stated term of the option, whichever is shorter;
- (2) on an involuntary termination without cause—three months after termination of employment or the expiration of the stated term of the option, whichever is shorter;
- (3) on an early retirement (defined to be at or after age 55)—three years from the date of retirement or the expiration of the stated term of the option whichever is shorter;
- (4) on retirement at or after age 60 (only for options granted on and after December 13, 2005)—five years from the date of retirement or the expiration of the stated term of the option whichever is shorter;
- (5) on a normal retirement (defined to be at or after age 65)—the remaining balance of the term of the option, and all options remaining unvested upon the exercise of the option vest in full on the retirement date;
- (6) on disability—the remaining balance of the term of the option, and all options remaining unvested immediately vest in full; and

- (7) on death—the remaining balance of the term of the option or one year from the date of death, whichever is longer, and all options remaining unvested at the date of death immediately vest in full.

If employment is terminated for cause, there is no post-termination exercise as all outstanding options are forfeited to the Company. “Cause” is defined by the 2011 and 2007 Plans as a reason for a plan participant’s termination of employment as that term may be defined in the employment, severance or similar agreement, if any, between the participant and the Company or a subsidiary. If there is no employment, severance or similar agreement and if the grant agreement does not define that term (which is the case for all awards currently outstanding under the 2011 and 2007 Plans), “cause” is defined as any of the following acts by the plan participant, as determined by the Compensation Committee or the Board of Directors: gross neglect of duty, prolonged absence from duty without the consent of the Company, intentionally engaging in any activity that is in conflict with or adverse to the business or other interests of the Company, or willful misconduct, misfeasance or malfeasance of duty which is reasonably determined to be detrimental to the Company.

Additionally, stock options awarded beginning in 2015 to executives age 55 and above on the grant date contain provisions requiring the executive to have held the option for one year following the grant date to be entitled to any ability to exercise after termination of employment.

The table below sets out values for outstanding “in the money” stock options that would have been realized by the NEOs as of December 31, 2015 in the termination of employment situations discussed above. Only those termination of employment situations applicable to each individual NEO based upon the foregoing assumptions are shown.

Gary L. Coleman	Early Retirement — \$14,299,218 Disability — \$14,299,218 Death — \$14,299,218
Larry M. Hutchison	Early Retirement — \$14,299,218 Disability — \$14,299,218 Death — \$14,299,218
Frank M. Svoboda	Voluntary termination — \$5,529,289 Involuntary termination without Cause — \$6,316,087 Disability — \$6,723,085 Death — \$6,723,085
Roger C. Smith	Early Retirement — \$12,100,026 Disability — \$12,100,026 Death — \$12,100,026
Vern D. Herbel	Early Retirement — \$7,592,732 Disability — \$7,592,732 Death — \$7,592,732
W. Michael Pressley	Early Retirement — \$2,998,645 Disability — \$2,998,645 Death — \$2,998,645

### Restricted Stock and Termination of Employment

The Company’s currently outstanding restricted stock awards provide that if the executive’s employment with the Company or one of its subsidiaries terminates during the restriction period because of death or because of retirement at or after age 65, all then remaining unvested restricted shares vest in full on the date of death or retirement. Certain restricted stock awarded in 2012 to Messrs. Svoboda, Roger Smith, Herbel and Pressley and in 2011 to Messrs. Coleman, Hutchison, Roger Smith, Herbel and Pressley provides that if their employment terminates by reason of retirement at or after age 60 any then remaining unvested restricted stock vests in designated percentages based upon age at retirement (Age 60 10%, Age 61 20%, Age 62 40%, Age 63

60%, Age 64 80% and Age 65 100%). Certain restricted stock awarded in 2013 to Mr. Herbel and in 2011 to Messrs. Coleman and Hutchison does not provide for any vesting based upon employment termination by retirement prior to age 65. Based upon an assumed employment termination date of December 31, 2015, the only value to be shown below for Messrs. Svoboda and Herbel is termination by death and for Messrs. Coleman, Hutchison, Roger Smith and Pressley is termination by early retirement or termination by death.

#### Termination by Early Retirement

Gary L. Coleman .....	\$ 82,310
Larry M. Hutchison .....	\$ 41,155
Roger C. Smith .....	\$ 396,119
W. Michael Pressley .....	\$ 301,805

#### Termination by Death

Gary L. Coleman .....	\$ 2,777,976
Larry M. Hutchison .....	\$ 2,777,976
Frank M. Svoboda .....	\$ 51,444
Roger C. Smith .....	\$ 660,198
Vern D. Herbel .....	\$ 1,534,746
W. Michael Pressley .....	\$ 377,256

### Performance Shares and Termination of Employment

The Company's currently outstanding performance share awards provide that if the executive's employment terminates during the three year performance measurement period because of death or disability, the executive is deemed to have earned the target award without the application of any performance multiplier. Performance share awards provide for the payment of a prorated target level award upon confirmation of attainment of the performance objectives in the case of the executive's early retirement based upon age at early retirement (Age 60 10% of target award, Age 61 20% of target award, Age 62 40% of target award, Age 63 60% of target award and Age 64 80% of target award). Beginning with the 2015 awards, performance share awards contain non-competition, non-solicitation and confidentiality provisions applicable upon the award recipient's separation from employment for any reason for a two-year period from the date of separation or in the event of termination due to early retirement or normal retirement, during the remaining vesting period prior to the vesting date, whichever is longer. Based upon an assumed employment termination date of December 31, 2015, the only value to be shown below for Messrs. Svoboda and Herbel is termination by death or disability and for Messrs. Coleman, Hutchison, Roger Smith and Pressley is termination by early retirement or termination by death or disability.

#### Termination by Early Retirement

Gary L. Coleman .....	\$ 2,572,200
Larry M. Hutchison .....	\$ 1,286,100
Roger C. Smith .....	\$ 1,954,872
W. Michael Pressley .....	\$ 1,646,208

#### Termination by Death or Disability

Gary L. Coleman .....	\$ 6,430,500
Larry M. Hutchison .....	\$ 6,430,500
Frank M. Svoboda .....	\$ 1,886,280
Roger C. Smith .....	\$ 3,258,120
Vern D. Herbel .....	\$ 1,500,450
W. Michael Pressley .....	\$ 2,057,760

### Retirement Life Insurance Agreements

The Company will provide a life insurance benefit to each of the NEOs during their respective lifetimes, effective upon the later of his 65<sup>th</sup> birthday or his retirement date, with coverage equal to the designated percentage shown below of an amount equal to two times the executive's salary and bonus earned in his final year of employment prior to retirement, less \$5,000; provided, however, that the insurance benefit will in no case exceed \$1,995,000.



Employee's Age Nearest Birthday at date of Retirement	Percentage of Benefit Amount
55	65%
56	70%
57	75%
58	80%
59	85%
60	90%
61	95%
62 or over	100%

Based upon an assumed retirement date of December 31, 2015, each executive would have the following life insurance coverage under his Retirement Life Insurance Agreement: Messrs. Coleman, Hutchison and Mr. Roger Smith, \$1,995,000; and Mr. Herbel \$495,000. Each of them would be issued an insurance policy by a Company subsidiary with a face amount equal to his insurance coverage. Messrs. Svoboda and Pressley are not covered by a Retirement Life Insurance Agreement.

### Supplemental Executive Retirement Plan

The Torchmark Corporation Supplemental Executive Retirement Plan became effective January 1, 2007. No benefits will be paid under this plan upon retirement unless the participant is 55 years old and has at least ten years of service with the Company or its subsidiaries. Assuming the NEOs retired on December 31, 2015, since Messrs. Coleman, Hutchison, Roger Smith, Herbel and Pressley were at least age 55 on that date, they would be entitled to receive benefits under the SERP. Mr. Svoboda, who was not age 55 on December 31, 2015, was not eligible to retire and would have no benefit. The annual benefits payable as of December 31, 2015 for these individuals are as follows:

Gary L. Coleman .....	\$ 515,597
Larry M. Hutchison .....	\$ 473,874
Roger C. Smith .....	\$ 326,625
Vern D. Herbel .....	\$ 256,780
W. Michael Pressley .....	\$ 146,527

### Change-in-Control—Stock Options, Restricted Stock and Performance Share Awards

The 2011 and 2007 Plans provide that (1) in case of a change in control where the new controlling person does not assume or equitably substitute stock options, restricted stock or performance shares, all outstanding options become fully exercisable, all time-based restricted stock vests and 100% of the target awards of performance shares are deemed earned and are paid out on a pro-rata basis based upon the length of time within the performance period prior to the change in control and (2) in the case of a change in control where the new controlling person assumes or equitably substitutes stock options, restricted stock or performance shares, if a participant's employment is terminated without cause or the participant terminates for good reason within two years after the effective date of the change in control, all outstanding options are fully exercisable, time-based restricted stock vests and 100% of the target awards of performance shares are deemed earned and are paid out on a pro-rata basis based upon the length of time within the performance period prior to the date of termination.

For purposes of the 2011 Plan and the 2007 Plan, a "change in control" generally consists of any one of the following events:

- (i) An acquisition of 25% or more of the Company's voting securities, but not including:
  - an acquisition by a person who on the plan's effective date (April 28, 2011 for the 2011 Plan, April 26, 2007 for the 2007 Plan and April 28, 2005 for the 2005 Plan) was the beneficial owner of 25% or more the Company's voting securities;
  - an acquisition of securities by or from the Company;
  - an acquisition of securities by a Company employee benefit plan; or
  - an acquisition of securities by a successor corporation pursuant to a transaction which complies with the exception to clause (iii) below.

- (ii) Individuals serving on the Company’s Board on the effective dates of the 2011 Plan and the 2007 Plan cease to constitute a majority of the Board (with an exception for individuals whose election or nomination was approved by a majority of the then incumbent board, outside the context of an election contest).
- (iii) A reorganization, merger or consolidation of the Company, or a sale of all or substantially all of the Company’s assets, unless, following any such transaction:
  - all or substantially all of the Company’s shareholders prior to the transaction own more than 50% of the voting stock of the Company or its successor in substantially the same proportions as their ownership of the Company’s voting stock prior to the transaction; and
  - no person (excluding any successor corporation or any employee benefit plan of the Company or a successor corporation) acquires 25% or more of the voting securities of the Company or its successor as a result of the transaction, except to the extent that such ownership existed prior to the transaction, and
  - a majority of the members of the Board of the Company or its successor following the transaction were members of the Company’s Board prior to the transaction.
- (iv) The Company’s stockholders approve a complete liquidation or dissolution of the Company.

Assuming that the change in control occurred on December 31, 2015, the NEOs would have the following intrinsic option values under the 2011 and 2007 Plans:

Gary L. Coleman .....	\$ 14,299,218
Larry M. Hutchison .....	\$ 14,299,218
Frank M. Svoboda .....	\$ 6,723,085
Roger C. Smith .....	\$ 12,100,026
Vern D. Herbel .....	\$ 7,592,732
W. Michael Pressley .....	\$ 2,998,645

Assuming that the change in control occurred on December 31, 2015, the NEOs would have the values shown below for their unvested restricted stock granted under the 2011 and 2007 Plans:

Gary L. Coleman .....	\$ 2,777,976
Larry M. Hutchison .....	\$ 2,777,976
Frank M. Svoboda .....	\$ 51,444
Roger C. Smith .....	\$ 660,198
Vern D. Herbel .....	\$ 1,534,746
W. Michael Pressley .....	\$ 377,256

Assuming the change in control occurred on December 31, 2015, the NEOs would have the values shown below for their unvested performance shares awarded under the 2011 Plan:

Gary L. Coleman .....	\$ 6,430,500
Larry M. Hutchison .....	\$ 6,430,500
Frank M. Svoboda .....	\$ 1,886,280
Roger C. Smith .....	\$ 3,258,120
Vern D. Herbel .....	\$ 1,500,450
W. Michael Pressley .....	\$ 2,057,760

## 2015 DIRECTOR COMPENSATION

The table below summarizes the compensation paid by the Company to non-employee directors during the fiscal year ended December 31, 2015.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	Option Awards \$(2)(3)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non- qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Charles E. Adair .....	111,667	0	120,006	0	0	0	231,673
Marilyn A. Alexander .....	102,500	120,019	0	0	0	0	222,519
David L. Boren .....	90,000	120,019	0	0	0	0	210,019
Jane M. Buchan .....	4,167	0	210,006	0	0	0	214,173
Robert W. Ingram ...	94,167	120,019	0	0	0	0	214,186
Lloyd W. Newton ...	120,833	120,019	0	0	0	0	240,852
Darren M. Rebelez ..	98,333	120,019	0	0	0	0	218,352
Lamar C. Smith .....	98,333	120,019	0	0	0	0	218,352
Paul J. Zucconi .....	124,000	0	120,006	0	0	0	244,006

(1) The amounts presented in this column are computed in accordance with ASC 718 and represent the grant date fair values for 2,216 shares of restricted stock awarded to each of Messrs. Ingram, Rebelez and Lamar Smith; 2,216 restricted stock units (RSUs) awarded to each of Ms. Alexander, Messrs. Boren and Newton, all awarded on January 2, 2015.

(2) Aggregate outstanding option awards at fiscal year end 2015:

Director	No. of Options
Charles E. Adair .....	29,411
Marilyn A. Alexander .....	0
David L. Boren .....	0
Jane M. Buchan .....	25,167
Robert W. Ingram .....	0
Lloyd W. Newton .....	0
Darren M. Rebelez .....	5,269
Lamar C. Smith .....	0
Paul J. Zucconi .....	0

(3) The amount presented in this column is computed in accordance with ASC 718 and represents the grant date fair value of the 6,667 stock options with an exercise price of \$54.16 per share awarded on January 2, 2015 to each of Messrs. Adair and Zucconi and the 11,667 stock options with an exercise price of \$54.16 per share awarded on January 2, 2015 to Ms. Buchan.

## DIRECTOR COMPENSATION PHILOSOPHY

The Company seeks to compensate its non-employee directors by paying market-based compensation designed to attract the desired caliber of directors to the Board and to align those directors' interests with those of shareholders – a focus on results and the long term – through an emphasis on equity compensation in the form of restricted stock, restricted stock units and stock options.

## PAYMENTS TO DIRECTORS

In 2015, non-employee directors of the Company were compensated on the following basis:

(1) Cash Compensation—(a) Directors are paid \$90,000 of their annual retainer in cash in quarterly installments unless a timely election is made under the non-employee director sub-plan of the 2011 Plan to receive an equivalent amount of market value stock options, restricted stock or RSUs or to defer the cash to an interest-bearing account under the terms of that sub-plan of the 2011 Plan; (b) The Lead Director receives an additional \$40,000 annual retainer in cash, payable in quarterly installments; (c) Annual Board committee chair retainers, payable in quarterly installments in cash, are \$35,000 for the Audit Committee Chair and \$12,500 for each of the Chairs of the Compensation Committee and the Governance and Nominating Committee; and (d) All

members of the Audit Committee (excluding the Audit Committee Chair) receive an additional annual Audit Committee Member Retainer of \$12,500, payable in quarterly installments; and

(2) Equity Compensation—Directors are paid \$120,000 of their annual retainer in equity, either in the form of market value stock options, restricted stock or RSUs, based on the director’s timely election, with the equity issued on the first NYSE trading day of January of each calendar year valued at the NYSE market closing price of Company common stock on that date. If no timely election is made, the non-employee director receives his or her annual equity compensation in the form of \$120,000 of market value stock options awarded on the first NYSE trading day of each year.

Directors do not receive meeting fees or fees for the execution of written consents in lieu of Board meetings or in lieu of Board committee meetings. They receive reimbursement for their travel and lodging expenses if they do not live in the area where a meeting is held.

Pursuant to the non-employee director sub-plan of the 2011 Plan, newly elected non-employee directors receive upon the date of their initial election to the Board \$100,000 of restricted stock, valued at the market closing price of Company common stock on that date.

Non-employee directors receive very limited perquisites and other personal benefits, which may include holiday gifts and costs associated with spouses’ travel to Board meetings. In 2015, no non-employee director received perquisites with an aggregate incremental cost to the Company in excess of \$10,000 or any other personal benefits.

Non-employee directors may currently elect to defer all or a designated portion of their cash-based annual director compensation into an interest-bearing account pursuant to a timely election made under the non-employee director sub-plan of the 2011 Plan. These accounts bear interest at non-preferential rates set from time to time by the Compensation Committee. The amounts in such accounts are paid to the director in a lump sum or equal monthly installments for up to 120 months as elected by the director with payments commencing on the earliest of (a) December 31 of the fifth year after the year for which the deferral was made, (b) the first business day of the fourth month after the director’s death or (c) the director’s termination as a non-employee director of the Company or any of its subsidiaries for a reason other than death. No non-employee director chose to defer any compensation pursuant to these provisions in 2015.

Directors who are employees of the Company or its subsidiaries receive no compensation for Board service.

#### **RELATED PARTY TRANSACTION POLICY AND TRANSACTIONS**

On October 25, 2006, the Board adopted a written policy statement with respect to related party transactions. This policy provides that a related party transaction may be consummated or may continue only if: (1) the disinterested members of the Board have approved or ratified the transaction in accordance with the guidelines in the policy and the transaction is on terms comparable to those that could be obtained in arm’s length dealings with an unrelated third party; or (2) the transaction involves compensation approved by the Compensation Committee of the Board. In situations where a significant opportunity is presented to management or a member of the Board which might result in the diversion of a corporate opportunity for their personal gain, that Related Party (other than an otherwise unaffiliated 5% shareholder) must obtain the consent of the Board.

At their February 24, 2015 meeting, the disinterested members of the Board determined that there were no related party transactions to be reviewed under the Related Party Transaction Policy for 2015.

You may find the Related Party Transaction Policy by going to the Company’s website at [www.torchmarkcorp.com](http://www.torchmarkcorp.com) and clicking on the Investors page. The Policy is located under the Corporate Governance heading. Printed copies of the Related Party Transactions Policy may be obtained at no charge by writing to the Corporate Secretary at 3700 South Stonebridge Drive, McKinney, Texas 75070.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Under the securities laws of the United States, the Company’s directors, its executive officers, and any persons holding more than ten percent of the Company’s common stock are required to report their initial ownership of the Company’s common stock and other equity securities and any subsequent changes in that ownership to the Securities and Exchange Commission and the NYSE and to submit copies of these reports to the Company. To the Company’s knowledge, based solely on review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2015, all required Section 16(a) filings applicable to its executive officers, directors, and greater than ten percent beneficial owners were timely and correctly made except:

(1) One late Form 4 filing was made by each of Arvelia Bowie (grant of stock options), Steve DiChiaro (discretionary transaction re-balancing 401(k) Plan account), Shane Henrie (stock option exercise) and Roger Smith (surrender to Company of stock to pay withholding taxes related to restricted stock).

(2) Amended Form 4 filings were made to correct the number of shares sold by David Boren (one form); to correct calculation errors in share balances by Jane Buchan (two forms); to correct stock options acquired by Rob Falvo (one form) and Mike Pressley (one form) and to late report shares acquired in a 2013 stock option exercise by Mike Majors (one form).

(3) An amended Form 3 filing was made to late report omitted shares owned in the stock purchase plan of a Company subsidiary by Rob Falvo (one form).

## AUDIT COMMITTEE REPORT

The Audit Committee of the Board is currently comprised of three directors, all of whom are presently independent as that term is defined in the rules of the New York Stock Exchange: Paul J. Zucconi, who currently serves as Committee Chairman; Lamar C. Smith, and Marilyn A. Alexander. All members of the Audit Committee, who served during 2015, are financially literate as that qualification has been interpreted by the Company's Board in its business judgment, and at least one member of the Audit Committee has accounting or related financial management expertise. In October 2003, the Board, after review and deliberation, determined that Paul J. Zucconi is the audit committee financial expert serving on the Audit Committee in accordance with the definition and qualifications for an audit committee financial expert set out in SEC Regulation S-K, Item 407(d)(5) and formally reaffirmed the same on February 24, 2016.

The Audit Committee assists the Board in fulfilling its oversight responsibilities by reviewing the Company's consolidated financial reports, its internal financial and accounting controls, and its auditing, accounting and financial reporting processes generally. The Audit Committee also evaluates the Company's independent auditor and performs an annual evaluation of Deloitte & Touche LLP (Deloitte) utilizing the external auditor evaluation tool developed by the Center for Audit Quality and several other governance organizations.

In discharging its oversight responsibilities regarding the audit process, the Audit Committee reviewed and discussed the audited consolidated financial statements of the Company as of and for the year ended December 31, 2015 with Company management and Deloitte, the independent registered public accounting firm of the Company. The Audit Committee received the written disclosures and the letter from Deloitte required by PCAOB Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence*, discussed with Deloitte any relationships which might impair that firm's independence from management and the Company and satisfied itself as to the auditors' independence. The Audit Committee discussed with Deloitte all matters required to be discussed by auditing standards generally accepted in the United States of America, including PCAOB Auditing Standard No.16, *Communications with Audit Committees* (as may be modified or amended).

Based upon these reviews and discussions, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for filing with the Securities and Exchange Commission.

Paul J. Zucconi, Chairman  
Lamar C. Smith  
Marilyn A. Alexander

February 24, 2016

The foregoing Audit Committee Report shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934.

## PRINCIPAL ACCOUNTING FIRM FEES

The following table sets forth the aggregate fees, including out-of-pocket expenses, billed to the Company for the fiscal years ended December 31, 2015 and 2014 by the Company's independent registered public accounting firm, Deloitte & Touche LLP.

	2015 (\$)	2014 (\$)
Audit Fees <sup>(a)</sup> .....	3,723,764	3,644,223
Audit Related Fees <sup>(b)</sup> .....	0	328,347
Tax Fees .....	0	0
All Other Fees <sup>(c)</sup> .....	158,471	7,248
Total Fees .....	3,882,235	3,979,818

(a) Fees for audit services billed in 2015 and 2014 consisted of:

- (i) Audit of Company's annual financial statements and insurance subsidiaries' statutory financial statements;
- (ii) Review of the Company's quarterly financial statements; and
- (iii) Services related to Securities and Exchange Commission filings and regulatory matters.

(b) Fees for assistance with COSO 2013 Framework implementation in 2014.

(c) Fees for assistance with underwriting analytics project and subsidiary fund review in 2015 and actuarial review services in 2014.

### PRE-APPROVAL POLICY FOR ACCOUNTING FEES

All audit and non-audit services performed by Deloitte in 2015 were pre-approved in accordance with the Policy Regarding the Approval of Audit and Non-Audit Services Provided by the Independent Auditor adopted by the Audit Committee at its April 23, 2003 meeting, as amended at its October 13-14, 2003 and April 27, 2011 meetings. The Policy requires that all services provided by Deloitte, both audit and non-audit, must be pre-approved by the Audit Committee or a Designated Member thereof except for certain *de minimus* exceptions. After discussions with Deloitte and Company management, the Audit Committee has determined that the provision of certain designated audit-related, tax and all other services do not impair the independence of Deloitte. The Policy describes the permitted audit, audit-related, tax and all other services (collectively, the Disclosure Categories) that Deloitte may perform. Pre-approvals of audit and non-audit services may be given at any time up to a year before commencement of the specific service.

A description of the services expected to be provided by Deloitte in each of the Disclosure Categories (a Service List) is presented to the Audit Committee annually for approval. Upon receipt of approval of these services by the Audit Committee or a Designated Member, the services are provided by Deloitte for the duration of the pre-approved period. Any requests for audit, audit-related, tax and other services not on the pre-approved Service List must be separately pre-approved by the Audit Committee or the Designated Member and cannot be commenced until such pre-approval is obtained. If the Designated Member pre-approves permitted services, a report of this specific pre-approval must be made to the Audit Committee at its next regularly scheduled meeting. The Chief Financial Officer or his designee may engage Deloitte to provide any permitted service if the expected fee does not exceed \$50,000 after obtaining approval of the Chairman of the Audit Committee as the Designated Member. In order to engage Deloitte to provide any permitted services where the expected fee exceeds \$50,000, a written proposal must be submitted to the Audit Committee or its Designated Member for approval. The Audit Committee may also periodically establish fee thresholds for pre-approved services.

At each regularly scheduled Audit Committee meeting, the Audit Committee reviews a summary of the services provided, including fees, a listing of new pre-approved services since the Audit Committee's last meeting, a list of any *de minimus* services approved by the Chief Financial Officer and the Audit Committee Chairman and an updated projection for the current fiscal year of estimated annual fees to be paid to Deloitte.

## PROCEDURAL MATTERS

### Solicitation of Proxies

The Board of Torchmark Corporation (the Company) solicits your proxy for use at the 2016 Annual Meeting of Stockholders and at any adjournment of the meeting. The Annual Meeting will be held at the Company Headquarters, 3700 South Stonebridge Drive, McKinney, Texas 75070 at 10:00 a.m., Central Daylight Time on Thursday, May 12, 2015. Gary L. Coleman and Larry M. Hutchison are named as proxies on the proxy/direction card. They have been designated as directors' proxies by the Board.

If the enclosed proxy/direction card is returned, properly executed, in time for the meeting, your shares will be voted at the meeting. All proxies will be voted in accordance with the instructions set forth on the proxy/ direction card. If proxies are executed and returned which do not specify a vote on the proposals considered, those proxies will be voted **FOR** proposals 1, 2, and 3. You have the right to revoke your proxy by giving written notice of revocation addressed to the Corporate Secretary of the Company at 3700 South Stonebridge Drive, McKinney, Texas 75070 at any time before the proxy is voted at the meeting.

The proxy/direction card is considered to be voting instructions furnished to the respective trustees of each of the Torchmark Corporation Savings and Investment Plan and the Liberty National Life Insurance Company 401(k) Plan with respect to shares allocated to individuals' accounts under these plans. If the account information is the same, participants in one or more of the plans who are also shareholders of record will receive a single card representing all their shares. If a plan participant does not return a proxy/direction card to the Company, the trustees of any plan in which shares are allocated to the participant's individual account will vote those shares in the same proportion as the total number of shares in that plan for which directions have been received.

### Record Date, Voting Stock and Quorum

The record date fixed by the Board of Directors for the determination of stockholders entitled to notice of and to vote at the 2016 Annual Meeting is March 14, 2016 (the Record Date). At the close of business on the Record Date, there were 121,249,900 shares of the Company's common stock outstanding and eligible to vote at the Annual Meeting. At the Annual Meeting, stockholders will be entitled to one vote for each share of common stock owned at the close of business on the Record Date. There is no cumulative voting of the common stock. Pursuant to a policy adopted by the Board, voting is confidential, with exceptions made to allow the Company to contact shareholders so as to reach quorum for meetings, in the event of a contested election and in the event comments are included on a proxy/direction card.

The presence at the 2016 Annual Meeting, in person or by proxy, of the holders of a majority of the outstanding shares of common stock entitled to vote at the meeting will constitute a quorum for consideration of the matters expected to be voted on at the meeting. Abstentions and broker non-votes will be included in the calculation of the number of the shares present at the meeting for the purposes of determining a quorum. "Broker non-votes" means shares held of record by a broker that are not voted on a matter because the broker has not received voting instructions from the beneficial owner of the shares and lacks the authority to vote the shares in its discretion. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting.

### Required Vote on Proposals

*Proposal 1 – Election of Directors:* Under the Company's By-Laws, a nominee will be elected to the Board of the Company at the 2016 Annual Meeting if the votes cast "for" the nominee's election exceed the votes cast "against" the nominee's election, with abstentions not counting as votes "for" or "against." **If you do not instruct your broker how to vote with respect to this item, your broker is not permitted to vote your shares with respect to the election of directors.** Abstentions and broker non-votes will not be taken into account in determining the outcome of the election of directors.

An uncontested incumbent director is required to submit a contingent letter of resignation to the Board at the time of his/her nomination for consideration by the Governance and Nominating Committee of the Board. If such a director does not receive a majority of votes cast "for" his or her election, the Governance and Nominating Committee is required to consider on an expedited basis such director's tendered resignation and make a recommendation to the Board concerning the acceptance or rejection of the tendered resignation. The Board is required to take formal action on the committee's recommendation expeditiously following the date of certification of the election results. The Company will publicly disclose the Board's decision and its reasoning with regard to the tendered resignation.

*Proposal 2– Ratification of Appointment of Independent Registered Public Accounting Firm:* Under the Company's By-Laws, in order to be approved, this proposal requires an affirmative vote of a majority of the votes cast affirmatively or negatively. This means that the votes that stockholders cast "for" this proposal must exceed the votes that stockholders cast "against" this



proposal at the meeting. Abstentions and broker non-votes are not counted as votes cast “for” or “against” and will not be taken into account in determining the outcome of this proposal.

*Proposal 3 – Advisory Vote to Approve Executive Compensation:* Our Board is seeking a non-binding advisory vote regarding the compensation of our named executive officers, as described in the Compensation Discussion and Analysis section, executive compensation tables and accompanying narrative disclosures contained in this Proxy Statement. Under the Company’s By-Laws, in order to be approved, this proposal requires an affirmative vote of a majority of the votes cast affirmatively or negatively at the meeting. This means that the votes that stockholders cast “for” this proposal must exceed the votes that stockholders cast “against” this proposal at the meeting. The vote is advisory and non-binding in nature but our Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements. **If you do not instruct your broker how to vote with respect to this item, your broker may not vote with respect to this proposal.** Abstentions and broker non-votes will not be taken into account in determining the outcome of this proposal.

Following the Annual Meeting, we will file a Form 8-K with the Securities and Exchange Commission disclosing the results of voting on each proposal as required by applicable rules.

## MISCELLANEOUS INFORMATION

### Proposals of Stockholders

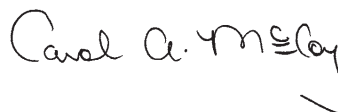
In order for a proposal (including nominations of candidates for the Board of Directors) by a stockholder of the Company to be eligible to be included in the Proxy Statement and proxy form for the Annual Meeting of Stockholders in 2017 pursuant to the proposal process mandated by Securities and Exchange Commission Rule 14a-8, the proposal must be received by the Corporate Secretary of the Company at 3700 South Stonebridge Drive, McKinney, Texas 75070, on or before November 23, 2016. If a stockholder proposal is submitted outside the proposal process mandated by this Securities and Exchange Commission rule, and is submitted instead under the Company’s advance notice By-Law provision (Article II, Section 10 of the By-Laws), the proposal must be received by the Corporate Secretary of the Company at 3700 South Stonebridge Drive, McKinney, Texas 75070 not earlier than January 12, 2017 nor later than February 26, 2017, together with the necessary supporting documentation required under that By-Law provision.

### General

The cost of this solicitation of proxies will be paid by the Company. The Company is requesting that certain banking institutions, brokerage firms, custodians, trustees, nominees, and fiduciaries forward solicitation material to the underlying beneficial owners of the shares of the Company they hold of record. The Company will reimburse all reasonable forwarding expenses. The Company has retained Okapi Partners LLC to assist with the solicitation of proxies for a fee not to exceed \$7,500 plus reimbursement for out-of-pocket expenses.

**The Annual Report of the Company for 2015, which accompanies this Proxy Statement, includes a copy of the Company’s Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2015 and the financial statements and schedules thereto. Upon written request and payment of copying costs, the exhibits to the Form 10-K will be furnished. These written requests should be directed to Investor Relations Department of Torchmark Corporation at 3700 South Stonebridge Drive, McKinney, Texas 75070.**

By Order of the Board of Directors



Carol A. McCoy  
*Vice President, Associate Counsel & Corporate Secretary*

March 23, 2016

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